

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

TUESDAY

4:00 P.M.

MAY 13, 2008

PRESENT:

Bob Larkin, Chairman
Bonnie Weber, Vice Chairman
Jim Galloway, Director
David Humke, Director
Kitty Jung, Director

Amy Harvey, County Clerk
David Childs, Assistant County Manager
Melanie Foster, Legal Counsel
Michael Greene, Fire Chief

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:

08-17SF AGENDA ITEM 2

Agenda Subject: “Approval of Agenda for May 13, 2008 Board of Directors meeting.”

In accordance with the Open Meeting Law, on motion by Director Humke, seconded by Director Galloway, which motion duly carried, Chairman Larkin ordered that the agenda for the regular meeting of May 13, 2008 be approved.

08-18SF AGENDA ITEM 3

Agenda Subject: “Approval of minutes for December 18, 2007 SFPD Board of Directors meeting.”

On motion by Director Galloway, seconded by Director Weber, which motion duly carried, Chairman Larkin ordered that Agenda Item 3 be approved.

08-19SF AGENDA ITEM 4

Agenda Subject: “Report of the Fire Chief concerning daily operations and changes including ownership of Verdi Fire Station, community evacuation training, volunteer program update and fuels management.”

Chief Michael Greene reported that during a recent training exercise, 282 Galena area residents were evacuated to Galena High School. He said from these

trainings, staff learned how to utilize citizen volunteers to inform neighborhood residents regarding the status of a fire, optional evacuation routes, opening evacuation gates and assisting at road blocks to provide community information. Chief Greene announced there was a volunteer training class scheduled for the first Saturday in June and noted trainings would occur on an annual basis.

Chairman Larkin asked if the Contractors Auxiliary could be used in conjunction with the volunteers. Chief Greene stated they could be complementary to the program.

On motion by Director Humke, seconded by Director Weber, which motion duly carried, Chairman Larkin ordered that Agenda Item 4 be accepted.

08-20SF AGENDA ITEM 5

Agenda Subject: “Direction to staff regarding the tax rate to be used to establish the FY 08/09 Budget in the event the District becomes a NRS 474.”

Chief Michael Greene explained the proposed Sierra Fire Protection District (SFPD) NRS 474 budget. He said the proposed budget would enable the District to achieve the service, financial and governance goals developed over the past year. Chief Greene recommended the NRS 474 proposed budget, which included a 54 cent tax rate to achieve the public safety goals, be approved. He stated the tax rate would enable the District to remain financially sound and sustainable.

Chief Greene explained the proposed tax rate would produce an additional \$1.2 million in operating revenue with the average District taxpayer paying an additional \$18 per month on their tax bill. He said because the SFPD portion of the tax bill was small, the impact on the overall tax County bill would be approximately 3.8 percent. Chief Greene remarked, following the increase of the first year, State mandated tax caps would be applied. He explained this was a one-year, one-time opportunity to grant the District the needed revenue to provide stability and long-term viability. Chief Greene said the recommended tax rate increase was 12 cents and added each penny would produce approximately \$100,000 in revenue. He said this would allow the District to have an on-going equipment replacement program for the career and volunteer departments, provide funding for fire station rehabilitation, as well as improvements for career and volunteer departments. Chief Greene indicated a majority of citizens were supportive of the proposed 54 cent tax rate; however, some expressed concerns on the difference between the proposed tax rate for the SFPD and the Truckee Meadows Fire Protection District (TMFPD) rate. He commented the TMFPD 47 cent tax rate was fully evaluated; however, it was concluded that the SFPD would be unable to provide the firefighter/paramedics in Verdi or have an adequate Capitol Equipment Replacement Fund with the 47 cent rate. Chief Greene explained in order to remain conservative and frugal with taxpayer’s dollars, the proposed rate did not cover the vacant Assistant Chief position and also delayed filling a Fire Prevention position.

Director Galloway asked if the benefit of additional firefighter/paramedics in Verdi gave the advantage of having two-in and two-out for fighting a fire in that area. Chief Greene explained it would allow consistent service and a staff of four per engine.

Director Humke asked how volunteers would be classified. Chief Greene replied the volunteers were an intermittent need for highly specialized labor. He said the roles of the volunteers had been reclassified for support services and were the force multipliers to assist career staff. He explained the volunteers were intermittent because they were not on staff 24/7.

In response to the call for public comment, Donna Peterson said in order to ensure the continued and improved fire and paramedic service in the SFPD, she supported the 54 cent tax rate and the change from NRS 473 to NRS 474. Robert Parker asked the Board to support the SFPD request and commended Chief Greene for all he had accomplished in the District. Mitchell Baklowski spoke in support of the request to raise the SFPD property tax and for the District to become a 474 District. Stephen Perez stated he was in support of the proposed changes. Randy Biame asked that the necessary approvals be completed so the SFPD could receive the benefit of the fire tax increase sufficient to make the District solvent. Kim Toulouse said he supported the proposal, but struggled with the amount of 54 cents. Debbie Sheltra felt it was inappropriate to go higher than 50 cents. She said she would support a citizen generated group to review parity and review the next contract with the TMFPD and the City of Reno. Gary Schmidt supported the proposed increase and commended Chief Greene for his community outreach.

Director Weber read a list of citizens who supported the establishment of the NRS 474 Fire District as proposed to the Board: Julie Kephart, John Kephart, Jeanette Puryear, Donna Perez, Katy Kenny, Sarah Thomas, George Thomas, Rhonda Machicco, Steve Machicco, Bob Layton, Tim and Vicky Brown, Matt Brown, Timothy Brown, Lisa Cybowlski and William Winchester.

Chairman Larkin asked what the plan was to bring the District solvent and what tax rate would bring the District financially viable. Mary Walker, Walker and Associates, replied in order to stabilize the District the cash flow would be needed to keep the fund balances and pay expenditures. She added they would need an additional 8 cents for District stabilization and capitol equipment. Chairman Larkin clarified the task given to Chief Greene was stabilizing the District and indicated three and a half cents, which was in the proposal, would stabilize the deficit.

Chairman Larkin said there was nothing written regarding a commitment that stated paramedics would be provided in Verdi. Bob Ashworth, Deputy State Forester, stated he was not familiar with a discussion for the commitment to provide paramedics in Verdi.

Director Weber said she could not support a motion if the paramedics in Verdi were not included and felt they were a high priority, but agreed the stabilization was needed for the capitol equipment.

Chairman Larkin asked how the TMFPD rate reached 47 cents and if there were any other districts in the State that had a rate of 50 cents or more. Marty Scheuerman, TMFPD Division Chief, replied since the inception of the District the rate for the TMFPD had increased to a high of 48 cents. He explained after consolidation with the City of Reno, the District was able to lower the rate to 47 cents because of the efficiencies and the ability to adjust the budget. Chairman Larkin asked if the Board decided to elevate the rate of the SFPD to a level above 47 cents, what affect would that have on the TMFPD. Chief Scheuerman said it would not have any affect on the District. Chief Greene indicated other than the North Lake Tahoe Fire Protection District (NLTFPD) 52 cent tax rate, he was not aware of any other District in the State above the 50 cent rate.

Director Galloway asked if a rate was chosen that deemed to be inadequate, could the rate be raised in the future. Ms. Walker commented that because of the current tax laws that could not occur. Director Galloway asked if the Board imposed the 54 cent tax rate, and later an agreement was renegotiated where there would not be as much expense, could it be possible to lower the rate. Ms. Walker remarked possibly, but because the tax bill would be limited, there would not be any additional revenue.

Director Jung asked what was Washoe Valley's capacity in terms of service. Chief Greene replied there were about 200 calls per year in Washoe Valley and indicated about 33 percent of the budget was spent in Washoe Valley.

Chief Greene clarified that a tax rate could be imposed each year, but because of the tax caps, additional revenue would not be received. He stated this was a one-time opportunity to raise that rate without the tax cap; therefore, receiving the additional revenue. He said once the District became a 474 District and raised the rate, the new rate would be subject to the 3 and 8 percent property tax caps. Ms. Walker explained the tax rate could be changed once a year during budget time, but because a new government was being established this was a once in a lifetime opportunity.

Director Humke asked what financial strategies could be employed under NRS 474 to provide the significant priorities: the deficit stabilization and the three paramedics needed in Verdi. Ms. Walker said because both of those were on-going revenue requirements, it could not be bonded and there was no other ability for a fire district to receive that revenue other than increasing the tax rate. Director Humke asked how capitol improvement would occur in Arrow Creek. Ms. Walker remarked that would be with a voter approved tax override. She said there was not financial wherewithal in this budget to hire and staff the Arrow Creek station. Director Humke asked how the District was analyzed. Ms. Walker remarked before the Board was how to equalize service amongst the three major areas; Washoe Valley, Galena and Verdi. However, at the present time, Verdi did not have equal service.

Chairman Larkin said nothing was presented that justified 54 cents and noted the highest amount stated was 52 cents by the NLTFPD; however, there was also nothing justifying remaining at 42 cents. Chairman Larkin said the Chief was tasked with two things: how to stabilize the District and what was the long-term role of the District. He indicated he was leaning toward a 48.5 cent tax rate which would stabilize the District.

Director Jung believed part of the stabilization for the District was to move forward. She believed the deficit had to be eliminated and building the Capitol Improvement Project (CIP) budget was critical to continue that stability. Director Jung commented since this was the one chance to get this right, she suggested the 54 cent tax rate because it was the only opportunity this year that the Board could avoid the property taxes. She moved to approve a 54 cent tax rate for the citizens of the SFPD. Director Galloway seconded the motion.

Director Humke asked if a 54 cent tax rate made the area susceptible to annexation. Ms. Walker said if the City annexed that area, the District tax rate would go away and the City would put their tax rate in place. She said if another Fire District chose to annex the District it would have to be equalized.

Director Weber said she could not support the 54 cent rate and asked if there was a way to go to 49 or 50 cents in a year. Ms. Walker said in a year there would be no revenue increase and then they would be under the cap.

Chief Greene commented the Board was the governing body for the SFPD and the TMFPD. He explained the important piece was stabilization so ultimately the District could be equalized because it was empirical that there was an "economy of scale." Chief Greene said there was opportunity in the 474 legislature for the Board to move boundaries and, if need be, reduce the tax rate. He said the 54 cent rate made the District viable and gave the Board the future opportunity to reduce that rate. Chief Greene indicated citizen involvement and input was critical, but there were concerns of paying a higher tax rate.

Director Jung asked if another fire protection district would want to annex the SFPD would it require approval by the Board. Ms. Walker replied it would require approval by a Board of County Commissioners and the citizens.

Director Weber asked if the Board went forward with the increased tax rate how would it be known that all the ratepayers or majority of ratepayers would support the increase. Chief Greene explained the voters would ultimately approve or reject the facility bonds based on what they saw their tax value. He said the responsibility was to demonstrate the value the citizens would receive.

Director Humke moved to amend the motion to state that the tax rate be 49.5 cents tax ad valorem. Chairman Larkin seconded the amendment.

Director Weber remarked Ms. Walker had indicated that an additional eight cents would be needed for District stabilization and capitol equipment; however, she needed to ensure that the three Verdi firefighter/paramedics would be included in the motion, and said she could not support any motion unless that was guaranteed. Chairman Larkin remarked the appropriate time to state that was during the budget hearing. He said there could be direction to Chief Greene, but to tie a rate specifically would tie the hands of the Chief. Director Weber asked if the eight cents included the paramedics. Ms. Walker clarified the question was what was needed to stabilize the finances. She said her response was that the deficit would have to be eliminated, which was about 3.5 cents, plus provide for capitol equipment and said that was the eight cents; however, that did not include the firefighter/paramedics. She offered if the rate was between the 51 or 52 cent range then the District should be able to be stable, have capitol and provide the firefighter/paramedics.

Director Humke withdrew the motion for amendment. The seconder agreed.

Director Weber moved to amend the motion to bring the tax rate to 52 cents. Director Galloway seconded the motion. The motion to amend passed on a 4 to 1 vote with Chairman Larkin voting “no.”

On motion by Director Weber, seconded by Director Galloway, which motion duly carried with Chairman Larkin voting “no,” it was ordered that the 52 cent tax rate would be enacted.

08-21SF AGENDA ITEM 6

Agenda Subject: “Directors’/Managers Announcements, Requests for Information, Topics for Future Agendas and Statements Relating to Items Not on the Agenda. (No discussion among Directors will take place on this item.)”

These items were not called or acted on.

08-22SF 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 two minutes per person.”

These items were not called or acted on.

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6:10 p.m. There being no further business to come before the Board, the meeting 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
Stacy Gonzales, Deputy Clerk*