

APPLE VALLEY FIRE PROTECTION DISTRICT

22400 Headquarters Drive ☐ Apple Valley California 92307
(760) 247-7618 ☐ FAX (760) 247-3895

MINUTES OF SPECIAL BOARD MEETING BOARD OF DIRECTORS

August 2, 2016

- 1.0 CALL TO ORDER: President Leary at 6:01 PM
- 2.0 PLEDGE OF ALLEGIANCE: Vice President Jeffs
- 3.0 ROLL CALL:
Present: Director Savage, Director Karen, Director Tinsley, Vice President Jeffs, President Leary
Absent: None
- 4.0 PUBLIC COMMENT: President Leary asked the two individuals who provided public comment cards, Mr. Doug Qualls and Captain Buddy Peratt, if they wished to make their comments at this point in the meeting or at some other point. Both parties requested to speak under Agenda Item 6.0. Their comments will be noted in these Minutes when they occurred.
 - .01 Doug Qualls
 - .02 Buddy Peratt
- 5.0 DIRECTORS' RESPONSE TO PUBLIC COMMENT: None.
- 6.0 PRESENTATION AND DISCUSSION ITEMS:
 - .01 Review and discussion of Special Tax Measure Options. President Leary called on Chief Hultquist to begin the review and discussion. The Fire Chief started by introducing Catherine McGuire of the Lew Edwards Group (LEG) explaining that Ms. McGuire would be assisting with the discussion.

Chief Hultquist began his comments by reviewing and summarizing the special tax measure timeline as follows:

 - a) On June 16, 2016 at the Special Board Meeting the Board agreed to renew the special tax measure approving staffing for two stations and approving \$126.90 as the annual tax for residential properties. Additionally the Board approved for the renewal of the Jarvis tax CPI of 2%.
 - b) On July 19, 2016 at a Regular Board meeting Rick Sklarz of FM3, the company contracted by the District to conduct a supplemental survey, presented the updated survey results showing a 67% approval rating for the tax measure with a plus or minus margin of error of 5%. Chief Hultquist reminded the Board that while Mr. Sklarz could not recommend the measure as viable due to the margin of error, he did state to the Board that based on the results that the \$126 rate with the 2% CPI would benefit from the addition of a sunset clause.
 - c) The Fire Chief further briefed that since the Board meeting on July 19 Staff had been working with LEG staff, the District's counsel, and Jim Priest from BB&K to draft the appropriate documents to prepare the special tax measure for the November election.

President Leary queried the Fire Chief regarding the sunset clause noting he thought the Board had made a decision about the sunset at the Special Meeting on June 16. There was a brief exchange and discussion between Staff and the Board regarding recollections from the meeting regarding the sunset provision for the special tax measure.

Chief Hultquist then made a statement to the Board regarding the results of the survey and the narrow margin for error with a 67% approval for the special tax measure and endorsed to the Board his belief that the Board should consider continuing or reinstating the sunset of 20 years

for the measure in November 2016. The Chief pointed out there were better odds with a sunset clause and felt it would weigh in the District's favor to get the measure passed if it included a sunset.

Open discussion began between the Board and Staff regarding the survey and the ballot language that was tested in the survey. Ms. McGuire was called on to answer some questions for the Board. Ms. McGuire's comments included the work drafting and crafting the ballot language both with and without the sunset. She explained that the language had been carefully reviewed by Staff, LEG and the District's counsel. The ballot language was reviewed for compliance with the new law, AB 809, whose guidelines and parameters must be met (for the first time) in the November 2016 election. She said as a consequence of AB 809 the ballot language used in the supplemental survey (July 2016) was different than that used last fall (September 2015).

Ms. McGuire went on to note that the ballot language was tested now versus the first survey and as a consequence of that LEG was recommending the District go with a sunset to protect the viability of the special tax measure. She further stated the District could point to the good faith relationship of the last 20 years as proof they could be trusted again. She reiterated that asking for the special tax measure in perpetuity was risky with such fragile survey results.

President Leary asked if there was some "magical" number of years that resonated with voters with a sunset clause. Ms. McGuire answered that once you pass two-digits in years it pretty much tests the same with voters.

The Board asked Ms. McGuire several questions regarding the survey in particular asking how many people were surveyed in July 2016 versus the September 2015. Those numbers were 398 for 2016 and 388 for 2015.

The Fire Chief then spoke again regarding the sunset clause reminding the Board that Finance Officer Brown had taken a conservative approach to the District's finances and used 20 years as her cost basis for the \$126 amount and had pointed out to the Board that a sunset clause would force the District to review its finances and make sure of the viability of the measure in the ensuing years.

At this point in the meeting President Leary called on those people who had public comments to speak.

4.01 Public Comments of Doug Qualls. Mr. Qualls, a former Fire Chief of the District, addressed the Board stating he hoped to provide them with some historical background on the special tax measure (Measure V) that was passed in 1997 and the debate and decision regarding the sunset clause at that time. Mr. Qualls reviewed all the many options that were considered back in 1997 for Measure V noting there was quite a bit of discussion about five years, ten years or 20 years or no sunset at all.

Mr. Qualls pointed out that he ultimately made the decision to go for a 20-year sunset explaining that at the time he felt anything more than 20 years "sounds like it goes on forever" and that he believed that having a sunset clause increased the chances for the special tax measure to pass.

Remarking he was going to piggy back on the Fire Chief's remarks, Mr. Qualls said he was not speaking on behalf of CSAVES but was offering his personal opinion to endorse and recommend the Board go with a 20-year sunset (now) because the polling (survey) was so

much on the margin and that any advantage would (could) be crucial to the current measure's success.

Mr. Qualls concluded his remarks by making a recommendation of a one-word change in the ballot language citing the word 'improving' be changed to 'improve'.

4.02 Public Comments of Buddy Peratt. Mr. Peratt opened his remarks by stating to the Board the PFA would support the measure either way, with or without the sunset clause.

He went on to brief that the special tax measure called for \$1.99 increase per month on the 2014 ballot recalling to everyone that the 2016 discussions began with that number as well. Pointing out that the District is considering asking for more than twice that amount and continuing with the 2% CPI there has to be a new game plan – going door to door and educating people about what we do. Mr. Peratt suggested the voters be made aware of the difference of what we (the District) is asking for versus the \$148 and 3% annual increase the County would ask for, which would be forever, if Apple Valley were to be annexed into the County.

He went on to state that there's a reason the County asks for that much money, because it's needed emphasizing the additional funds are needed for success in the future to staff stations. He continued by recounting during his eight years of service, three Fire Chiefs, and multiple Board members the focus had been on the special tax measure and its renewal. He brought up the difficulty of planning or growing toward the future when so much of the time and efforts are tied up in the measure. He concluded by suggesting that maybe it's time to do things differently.

Following Mr. Peratt's comments each of the Board members made comments on the sunset with **Director Karen** being opposed to "kicking the can down the road".

Vice President Jeffs agreed with Director Karen expressing that the PFA (Professional Firefighters' Association) is all in and believes the District should go in perpetuity with the measure explaining the voters are smart enough to agree if they are reached.

Director Savage thanked everyone for their comments noting he could see both sides of the argument and comments. He stressed the importance of getting the information out to the voters noting it is easier to just check "no".

Director Tinsley said this topic had been reviewed "time and time again" and it was time to cast it in stone as he thought they had done at the Special Meeting on June 16, 2016.

President Leary was also of the opinion that the Board had discussed taking the special tax measure out in perpetuity and felt the Board had definitely been leaning that way on June 16th but was awaiting the results of the supplemental survey.

Mr. Leary pointed out that 66% is a huge bar to cross and that the District had paid a lot of money to the consultants to advise the Board suggesting the Board give some credibility to what the consultant group had suggested for the measure.

Continuing his remarks, President Leary professed he was at a different point in this thoughts than when he came in and felt the sunset should be given some consideration.

There was brief discussion on the 55% school tax rate and getting that changed for tax measures such as the District's special tax measure would be helpful.

President Leary pointed out that if the sunset could give even a percent advantage to get the measure passed it should be considered.

Following his comments President Leary called for any further discussion or comments from Staff, the Board or members of the public present at the meeting.

Ms. McGuire from LEG spoke again pointing out the success rate of her company with more than 79 billion dollars in special tax revenue being successfully obtained by their clients. She restated that at 67% approval from the supplemental survey, the District's measure did not, in LEG's opinion, present itself as a viable tax measure. She said eliminating the sunset clause was basically stating that the District deemed itself bullet proof.

Cliff Earp, a former member of the District's Board spoke noting his appreciation of everyone's comments. Mr. Earp explained his confidence in the measure without the sunset noting that CSAVES (the advocacy group Mr. Earp is a part of) has a solid plan to go door to door with over 260 volunteers lined up to help. He believes they (CSAVES) have the mechanism in place to get the measure passed. He went on to state that more people are aware of the closed stations this time as well as the advocacy group being 100% more organized. He concluded his remarks by suggesting less time be spent going to organized groups like Kiwanis or Rotary and that the District hit homeowners' associations.

Mr. Earp said a graphic test could be given to groups by asking them to hold their breath for three minutes to explain the importance of rapid response times. His final comment was that it was the community's number one goal to get it passed.

Rob Qualls came forward to speak and began his comments by reminding the Board of the discussion from the June 16 Special Meeting to "fund the need". He asked the Board to consider doing "business the right way" by recalling the history of the current measure, Measure V. Mr. Qualls recounted the history to the Board by listing from 1997 to 2003 following the passage of Measure V the District was still on shaky financial ground. From 2003 to 2008 things were really great. From late 2008 to until now things began "to go down" and we (the District) are here today with the backlash on the District's operations. He noted the following:

- District resources are stretched and the District is unable to build a head of steam;
- It's going to take five years to hire the staffing that's needed and get those employees off probation;
- It takes time (after the measure is passed) to refocus and get things going;
- Urged the Board to do things right and what's needed today; and
- Reminded them the sunset is not for 20 years because it takes time to get caught up,

President Leary thanked everyone for their comments. There was a brief discussion between the Board and Staff regarding the documents for the next agenda items. There was a brief exchange between Staff and Vice President Jeffs regarding the drafting of the ballot language and who worked on it.

7.0 PUBLIC HEARINGS:

- .01 Ordinance 54 – Special Tax Ordinance extending the term and adjusting the rate of the fire protection special tax measure in order to continue providing quality local fire and emergency medical/rescue services is introduced for public hearing.

President Dan Leary opened Ordinance 54 to Public Hearing at 6:48 PM.

M/S/P Tinsley/Karen moved to close the Public Hearing at 6:50 PM.

M/S/P to read Ordinance 54 aloud by title.
Recording Secretary Rose Marie Garrison read Ordinance 54 title.
M/S/P Savage/Tinsley to introduce Ordinance 54.

8.0 ACTION ITEMS:

- .01 Resolution 16-006 calling for a special election to be held on November 8, 2016, to submit a proposed ordinance extending the term of and adjusting the rate of the fire protection special tax measure was introduced. President Leary asked for questions or comments regarding this resolution. There was no further discussion. M/S Tinsley/Savage to adopt Resolution 16-006 as presented. Motion carried by unanimous roll call vote of the Board members present.
- .02 Resolution 16-007 setting priorities for filing written primary arguments regarding a District Measure was introduced. President Leary called for questions or comments regarding the resolution. There was no further discussion. M/S Tinsley/Karen to adopt Resolution 16-007 as presented. Motion carried by unanimous roll call vote of the Board members present.
- .03 Resolution 16-008 providing for the filing of written rebuttal arguments regarding a District Measure was introduced. President Leary once again polled the Board for questions or comments regarding the resolution. There was no further discussion. M/S Karen/Savage to adopt Resolution 16-008 as presented. Motion carried by unanimous roll call vote of the Board members present.
- .04 Resolution 16-009 requesting the Board of Supervisors of San Bernardino County to consolidate a special tax measure election to be held on November 8, 2016, with the statewide primary election was introduced. President Leary queried the Board for comments regarding the resolution. There was no further discussion. M/S Savage/Tinsley to adopt Resolution 16-009 as presented. Motion carried by unanimous roll call vote of the Board members present.

9.0 STAFF COMMENTS:

- .01 Fire Chief Hultquist:
 - a) Expressed his excitement to move forward with the special tax measure and work with everyone.

10.0 DIRECTORS' COMMENTS:

- .01 Director Savage:
 - a) Thanked Fire Chief Hultquist and ASM Garrison for their work, included both Doug and Rob Qualls, Catherine McGuire, Cliff Earp, and Buddy Peratt for their input and work.
 - b) Emphasized the importance of everyone's input to avoid "group think" mentality
 - c) Voiced his belief the District's "good shot" at getting the measure passed.
 - d) Stressed the importance of the door to door campaign and how it will "make or break" the campaign.
 - e) Suggested the opportunity a door to door campaign offers to educate the public and "show we care".
- .02 Director Tinsley:
 - a) Echoed Director Savage's remarks.
 - b) Stated he had not heard any opposition regarding the sunset clause.
 - c) Suggested that the voters be educated that this is not about the District but about them and their emergency services.
 - d) Thanked Cliff Earp, Doug Qualls, the Fire Chief, Buddy Peratt and CSAVES committee people for their efforts.

.03 Director Karen:

- a) Reiterated the same thanks to everyone that had already been expressed.
- b) Voiced his happiness that the decision had been made not to have the sunset clause as he does not like kicking a problem down the road stating it's better to 'fix it now, do it now'.
- c) Shared his belief that this will be all about education and making sure people understand what they are voting for.
- d) Asserted his belief in the importance of the door to door campaign.

.04 President Leary:

- a) Thanked everyone for coming.
- b) Hoped for a bigger audience in the future to "get this thing going".
- c) Noted it is both scary and exciting to be going forward.
- d) Thanked Catherine McGuire for coming to the meeting and providing her professional expertise.
- e) Noted his appreciation of LEG's advice even if the Board didn't follow it noting the District got 60% of the vote last time without any professional assistance.
- f) Announced it was time to get to work and get the information out.

11.0 FUTURE AGENDA ITEMS: None.

12.0 ADJOURNMENT: The meeting was adjourned at 7:11 PM M/S/P Tinsley/Karen.

ATTEST:



ROSE MARIE GARRISON
Recording Secretary



JAY JEFFS
Vice President