

APPLE VALLEY FIRE PROTECTION DISTRICT

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

MINUTES OF REGULAR MEETING BOARD OF DIRECTORS

September 21, 2021

1.0 CALL TO ORDER: Vice President Conley 6:00 PM.

2.0 PLEDGE OF ALLEGIANCE: Director Hernandez

3.0 ROLL CALL:

Present: Vice President Conley, Director Hernandez, Director Hultquist, President Kuhn, Director Leary

Absent: None

4.0 SPECIAL ANNOUNCEMENTS/PRESENTATIONS:

.01 Employee Badge Pinning

a. Fire Chief Harrison. Vice President Conley gave a brief overview of the Fire Chief's career and hiring on at Apple Valley Fire. He noted that Chief Harrison's wife, Suzanne, would be pinning his badge.

b. Engineer/Paramedic Rob Richer. Chief Harrison briefed that Engineer Richer had been promoted recently and noted some information about Rob's career. He added that Rob would have his badge pinned by his wife, Lindsey and their daughter Bailey.

.02 Commendation Presentation to Firefighter/Paramedic Chad Baeskens. Fire Chief Harrison noted that FF/PM Baeskens had not been present at the last Board meeting, so he was being presented with his commendation at this meeting. The Fire Chief gave a summary of the lifesaving call that Chad had been a part of and presented him with the commendation.

.03 Introduction of New Firefighter Paramedics. Fire Chief Harrison called forward new employees Francisco Campos and Erwin Cuevas introduced them to the Board and congratulated them on their employment with the Fire District. He noted that they had begun the Fire District mini academy on September 13th adding that they had both been a part of the Apple Valley Fire Explorer program.

5.0 PUBLIC COMMENT: None

6.0 DIRECTORS' RESPONSE TO PUBLIC COMMENT: None

7.0 CONSENT AGENDA: Vice President Conley asked if everyone had a chance to go over the reports presented and if anyone had questions or comments. Director Leary noted his appreciation to Staff for the time and effort put in on the staff reports to present clear and understandable reporting. There was no further discussion or questions.

M/S Hultquist/Leary to accept Consent Agenda as presented.

Directors Conley, Hernandez, Hultquist, Kuhn and Leary voted aye by voice vote.

Ayes: 5 Noes: 0 Abstain: 0 Absent: 0

8.0 APPROVAL OF MINUTES:

.01 Minutes of Regular Meeting held on August 17, 2021. Vice President Conley asked if everyone had a chance to review the minutes and if there were any questions or discussion. There were no questions or discussion.

M/S Hernandez/Leary to approve minutes of the August 17, 2021 regular board meeting.

Directors Conley, Hernandez, Hultquist, Kuhn and Leary voted aye by voice vote.

Ayes: 5 Noes: 0 Abstain: 0 Absent: 0

9.0 CORRESPONDENCE:

- .01 Vice President Conley mentioned the two items of correspondence in the packet; a letter from a young man thanking Firefighters and a letter from Battalion Chief Tracy thanking the crew on the Dixie fire for their hard work and professionalism.

10.0 INFORMATION & DISCUSSION ITEMS:

- .01 Information Only Items: None
- .02 Discussion Items: None

11.0 BOARD COMMITTEE REPORTS:

- a. Finance Committee. Director Hernandez briefed that the Finance Committee had met and reviewed the budget and a Personnel Policy change that would both be presented later in the meeting as an Action items.

12.0 APPROVAL OF REPORTS: None.

13.0 PUBLIC HEARINGS: None.

14.0 ACTION ITEMS:

- .01 Final Budget for Fiscal Year 2021-2022. Fire Chief Harrison noted that Finance Officer Shaker had prepared a presentation for the Final Budget that he would be sharing with the Board. Finance Officer Shaker gave a Power Point presentation highlighting the budget and changes/additions that had been made since the preliminary budget had been presented. A copy of the slides from the PowerPoint presentation are attached hereto and made apart hereof. A question and answer period followed the presentation regarding unfunded liability and how it is calculated by CalPERS, payment options and projected changes in the amount.

M/S Hultquist/Hernandez to approve Final Budget for Fiscal Year 2021-2022.
Directors Conley, Hernandez, Hultquist, Kuhn and Leary voted aye by roll call vote.
Ayes: 5 Noes: 0 Abstain: 0 Absent: 0

- .02 Personnel Policy P-36 Revision 1 – Employee Performance Evaluations. Fire Chief Harrison gave an overview of the policy and the proposed changes highlighting the main points through PowerPoint slides. A copy of the PowerPoint slides are attached hereto and made apart hereof. Following the presentation, Board and Staff had a lengthy discussion regarding recruitment and retention, budget implications, checks and balances, and subjectivity of the proposed merit program. It was agreed unanimously by the Board that due to the unknown fiscal impact of the ongoing PFA negotiations and unknown fiscal impact of the policy change at this time, the policy would be tabled until a later date.

Action Item Tabled. No Action Taken.

15.0 STAFF COMMENTS:

- .01 Fire Chief Harrison gave a PowerPoint presentation (A copy of the slides from the PowerPoint presentation are attached hereto and made apart hereof) to the Board giving them an update on items such as:
 - a. Briefed the Board on mutual aid efforts the District has been a part of such as the Dixie fire and Caldor fire.
 - b. Recent fires in the District – Fire Chief Harrison asked Fire Marshal Pachman to come forward and brief the Board on the latest fires. Fire Marshal Pachman reviewed several structure fires that had recently occurred noting how great the crews had been on every incident.

- c. Noted that issues with AMR continue to be a County-wide topic and that he is actively engaged in helping with finding a solution.
- d. Stated that talks with the Town of Apple Valley and community partners continue regarding the Saint Mary's hospital closure.
- e. Announced that he will be introducing the Chaplains at the next Board meeting and that recruitment for the program is going well.
- f. Briefed that he would be presenting some ambulance options and discuss what other agencies are doing at the next board meeting.
- g. Noted American flags have been added to the Engines and rebranding logo has been added to all District vehicles.
- h. Mentioned several community events the District had participated in including Chamber of Commerce, Serve Seniors and community smoke alarm installs.
- i. Said he had attended the Cal Chief's conference and they had covered good topics.
- j. Thanked Staff, Interim Chief Clemmer, CRRD, Captain Mejia, Shop personnel and FF/PM Martinez for recent work on District projects and activities.

16.0 DIRECTORS' COMMENTS:

- .01 Director Hernandez:
 - a. Thanked everyone for all the 9/11 remembrance ceremonies and events adding that she comes from a military family so 9/11 accompanies a lot of memories.
 - b. Thanked all the heroes for doing what they do every day.
- .02 Vice President Conley:
 - a. Congratulated Chad on his commendation.
 - b. Noted his appreciation for Interim Chief Clemmer's work.
 - c. Congratulated Rob Richer and Chief Harrison on their badge pinning's.
 - d. Congratulated new hire Firefighter/Paramedics Campos and Cuevas.
- .03 Director Hultquist:
 - a. Congratulated the Fire Chief on his badge pinning thanking him for all his hard work on all items presented at the meeting.
 - b. Commented that the Board is "here to back you up".
 - c. Remarked that he is looking forward to hearing the presentation next meeting on ambulance programs.
 - d. Congratulated Rob Richer and Chad Baeskens.
 - e. Commended Captain Malloy and his crew that had been out on OES assignment.
 - f. Thanked FSM Phillips and the shop for helping Barstow Fire replace a flat tire.
- .04 Director Leary
 - a. Noted how nice it was to see all the presentations and badge pinning at the beginning of the meeting adding the commendations are a nice tribute to outstanding people.
 - b. Congratulated the new hire employees.
- .05 President Kuhn
 - a. Added her appreciation to Chief Harrison for his presentations.
 - b. Congratulated Chief Harrison on his badge pinning.

- c. Thanked all the crews for their hard work during fire season adding that she knows how working so much can stretch the employees and impact families and that their work and sacrifice is appreciated.
- d. Noted her appreciation for all the hard work being done at all levels of the Fire District.

17.0 CLOSED SESSION:

Vice President Conley announced the closed session agenda items and requested a motion to go to closed session.

.01 Labor Negotiations (Gov't Code §54957.6 (a))

M/S/P Leary/Hultquist to adjourn to closed session at 7:25 PM.

The Board returned into Open Session at 8:02 PM.

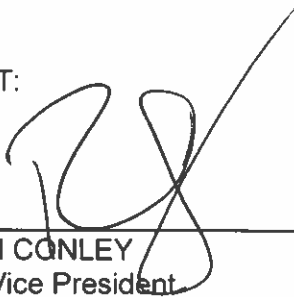
18.0 REPORT ON CLOSED SESSION: Vice President Conley briefed that the Board had given Fire Chief Harrison additional direction on MOU negotiations and that the Chief would brief the Board again at the next board meeting.

19.0 FUTURE AGENDA ITEMS: None

20.0 ADJOURNMENT:

The meeting was adjourned at 8:03 PM M/S/P Leary/Hernandez

ATTEST:



AARON CONLEY
Board Vice President



KIMBERLY LOPEZ
Recording Secretary




Board of Directors Meeting September Report

Ken Harrison – Fire Chief
September 21, 2021


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Recognitions

- Unit Commendation – Engine 332-B (Apt. Fire May 1, 2021)
 - Firefighter/Paramedic Chad Baeskens
- New Hires:
 - Firefighter/Paramedic Cuevas
 - Firefighter/Paramedic Frank

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Promotion



Rob Richer to Engineer Effective August 28, 2021

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Apple Valley Fire Protection District 2021-22 Final Budget

AVFD Board of Directors Meeting
September 21, 2021

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2021/2022 Budget

- Call Load increase = 13,209 calls (10% over 2020/2021)
- Budget Expenditures = \$14,833,100.00 (6.2% increase)
- Budget Revenues = \$14,533,435.00 (5% increase)



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Revenue Projections

Category	2020-21 Actual	2021-22 Budget
Property Taxes	7,751,860	7,868,075
Special Taxes	1,163,800	1,163,800
Use of Property and Other	400,000	400,000
Charges for Services/Other Revenue	300,000	300,000
Total Available	9,615,660	9,734,875

2021-22 Budget Revenue

Property tax revenues: Projected to increase 1.5% over 2020-2021 actual.
 Special tax revenues increased 1.87% over 2020-21 as approved by the Board in April, 2021.
 Intergovernmental Revenues represent state-to-local reimbursements and other revenues such as grants.
 Use of property and money includes scheduled increases in rental agreements.
 Charges for Services/Other Revenue is estimated based on historical trends in those revenue streams.

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Category	2020-21 Actual	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Operating						
Property Taxes	7,751,860	7,868,075	7,984,290	8,100,505	8,216,720	8,332,935
Special Taxes	1,163,800	1,163,800	1,163,800	1,163,800	1,163,800	1,163,800
Use of Property and Other	400,000	400,000	400,000	400,000	400,000	400,000
Charges for Services/Other Revenue	300,000	300,000	300,000	300,000	300,000	300,000
Total Available	9,615,660	9,734,875	9,848,090	9,961,305	10,074,520	10,187,735

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Category	2020-21 Actual	2021-22 Budget	2022-23 Budget
Operating			
Staffing Expenses	11,315,305	11,513,448	11,711,591
Operating Costs	1,581,840	1,586,340	1,590,840
Administrative Costs	798,305	800,747	803,189
Debt Servicing	10,200	10,200	10,200
Transfer to CIP	500,000	450,000	400,000
Total Available	14,205,650	14,360,735	14,516,820

- 350K PERKS Unfunded Liability increase
- 7.3K Increase in Insurance Costs
- BIR Inducted in CONSPRE JPA law in
- Debt Service moved back to CIP Fund
- Operating Costs decreased due to budgeting of one-time anticipated grant in 20-21 that was not received.
- Returned CIP Contribution with additional 150K
- Unknown MOR Negotiation costs

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Category	2020-21 Actual	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Capital						
Capital Expenditures	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Debt Issuance	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Debt Retirement	500,000	500,000	500,000	500,000	500,000	500,000
Other Capital	100,000	100,000	100,000	100,000	100,000	100,000
Total Available	3,100,000	3,100,000	3,100,000	3,100,000	3,100,000	3,100,000

- Replacement of remaining staff vehicles
- Replacement of Type 3 Water Tanker
- Ladder Truck Purchase

Required LIP funding to fulfill replacement plan increased by 170K May need to continue increasing due to rising costs

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Future Challenges

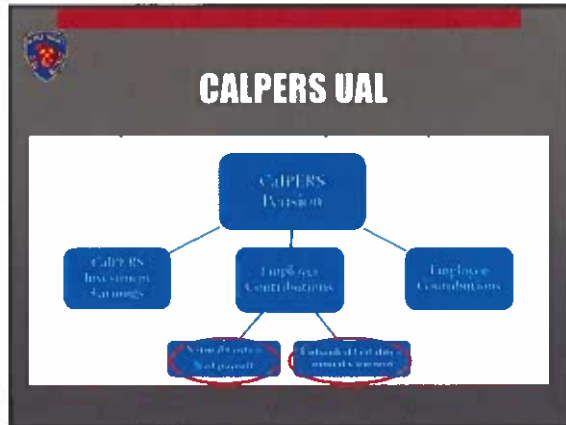
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CALPERS UAL

Approved Discount Rate Phase-In

Valuation Date	FY Required Contribution	Discount Rate
June 30 2016	2016-19	7.375%
June 30 2017	2019-20	7.25%
June 30 2018	2020-21	7.00%

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CALPERS UAL

\$350k increase from 2020-21

10% of General Fund Budget

Fiscal Year	Required Contribution	Projected Future Employer Contributions (Assumes 7.00% Return for Fiscal Year 2019-20)				
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Normal Cost %	23.62%	23.6%	23.6%	23.6%	23.6%	23.6%
UAL Payment	\$1,169,433	\$1,303,000	\$1,395,000	\$1,468,000	\$1,513,000	\$1,553,000

37% Increase from Prior Year

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Continuing Low Interest Rates and Low Inflation?

- District's ability to generate investment returns on idle funds is limited due to very low interest rates.
- The District's Measure A special tax is tied to CPI with a maximum one year increase of 2%. Low inflation in 2020 due to COVID caused the District to only be able to increase Measure A by 1.87% instead of the maximum 2%.

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Ongoing Labor Negotiations

- The District's current labor agreements expired at June 30, 2021. Negotiations are ongoing and the fiscal impacts of any changes in employee compensation for FY22 and beyond are unknown at this time and cannot be confidently estimated.

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Approximately \$2,797,111 of capital equipment will need to be replaced over the next 5 years. Continuous investment into the CIP fund will be needed in order to meet the Capital needs of the District.

Year	Item	Amount
2021	2018 Chevrolet Tahoe Commercial Vehicle	\$75,000
2022	2018 Ford Focus A Vehicle (passenger vehicle)	\$14,000
2023	2013 Range Rover Sport 3.0 Supercharged	\$290,000
2024	2018 Range Rover Sport 3.0 Supercharged	300,000
2025	2018 Range Rover Sport 3.0 Supercharged	300,000
2026	2018 Range Rover Sport 3.0 Supercharged	300,000
2027	2018 Range Rover Sport 3.0 Supercharged	300,000
2028	2018 Range Rover Sport 3.0 Supercharged	300,000
2029	2018 Range Rover Sport 3.0 Supercharged	300,000
2030	2018 Range Rover Sport 3.0 Supercharged	300,000

Aging Fleet in Need of Aggressive Replacement Plan

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FY22 Property and Liability Insurance costs will be approximately 250k. An increase of 61k over the previous year or 33%

- These new high rates are likely here to stay
- Current insurance market continues to be impacted by catastrophic losses around the world and is consistently evolving due to the development of losses and cost of claims.

Unexpected rise in Property and Liability Insurance Costs

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Highlights

Swiss Re Institute estimates USD 81 billion global insured catastrophe losses in 2020, the fifth costliest on record. The insurance industry covered 45% of global economic losses in 2020, above the ten year average of 37%.

U.S. Wildfires, Storms, Civil Disorders and Social Unrest have created intense pressure on insurers in North America causing insured losses in the billions, and while COVID-19 has of course added new types of losses to the mix, more so, it has created additional uncertainty which is adding to an already difficult insurance marketplace.

Social Inflation years of high losses, aggressive litigation trends, and adverse results are driving the higher prices and tighter capacity in the excess casualty insurance space.

2021 will set record for most claims in history of industry for Q1 and will extend difficult market.

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Covid 19 to Blame?


Viral Outbreaks Are Not An Insurable Risk

Economic Losses From Pandemics

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Where do we go from here?

- The District will need to carefully navigate its future while balancing Labor Negotiation Costs, CIP Costs, Pension Costs, and Insurance Costs
- Careful decision making as we navigate these challenges will keep the District in good financial health



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Budget Questions?

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Policy Update (P-36)

- Employee Performance Evaluations
- Change in Merit Increase Policy (Maximum of 4 Step)
 - Establishes a very clearly defined criteria for merit increases
 - All salary increases above One Step require both Battalion Chief and Fire Chief Approval
 - Allows exceptional employees to excel
 - In Line with Strategic Plan & Organizational Survey
- Strategic Goal # 4: Maintain a Highly Skilled, Accountable and Resilient Workforce
 - Objectives 4.2 & 4.3

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Policy Update (P-36)

- One Step: One Step merit increase and for employees with an **Outstanding** performance and/or employee with exceptional demand response will be eligible to receive merit on the above-mentioned step criteria.
 - 100% Increase from One Step (100% Increase)
- Two Step: Two Step merit increase and for **Outstanding** employees, this is for the good employee who is doing their job exceptionally well, performing well. The steps for these individuals will have an extra impact on merit increase and the rate will be set equal to a person on their grade level. This includes performance, personal skills, history of being a production employee, expected to be doing overtime, safety and training, etc.
 - 100% Increase from Two Step (100% Increase)
 - Merit Increase (100% Approval)
- Three Step: Three Step merit increase and for **Outstanding** employees is reserved for those individuals who go beyond the call of duty and are generally considered an asset to the District. These individuals will have an impact on the district's budget and the rate will be set equal to a person on their grade level. This includes performance, personal skills, history of being a production employee, expected to be doing overtime, safety and training, etc.
 - 100% Increase from Three Step (100% Increase)
 - Merit Increase (100% Approval)
- Four Step: Four Step merit increase and for **Outstanding** employees is reserved for those individuals who go beyond the call of duty and are generally considered an asset to the District. These individuals will have an impact on the district's budget and the rate will be set equal to a person on their grade level. This includes performance, personal skills, history of being a production employee, expected to be doing overtime, safety and training, etc.
 - 100% Increase from Four Step (100% Increase)
 - Merit Increase (100% Approval)

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Policy Update (P-36)

Q16 Please rank in order from one to five the below items. Number 1 would be that item that is the most important to you personally. Number 5 would be the least important, understanding that there are many other aspects to our agency:

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Policy Update (2-35)

- Shift Bidding In accordance with current policy (seniority is protected)
 - In alignment with leader's intent of the JLM group
 - No appeal or grievance applies
 - Truck 336 will require a formal truck academy either prior to, or within six months of assignment
 - Member will be placed on 40-hour work week schedule while attending.
 - Current recognized Truck Academies include: VVC, Rio Hondo, Ben Clark

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Our Ethos

Our Mission Statement

It shall be the mission of the... to ensure the quality of life for our citizens and visitors...

Our Vision

We will serve our community as a team of highly trained and dedicated professionals committed to the core values of the Fire Service.

Community Core Values

Integrity, Honesty, Respect, and Service...

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Major Incidents

Dixie Fire - 63 Days

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Major Incidents

Caldor Fire - 42 Days

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Recent Fires

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21922 Resoto Road


- Residential Structure Fire
- Juvenile Fire Setter
 - 4 years old
 - Started the fire in a closet with matches



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21446 Yucca Loma Road

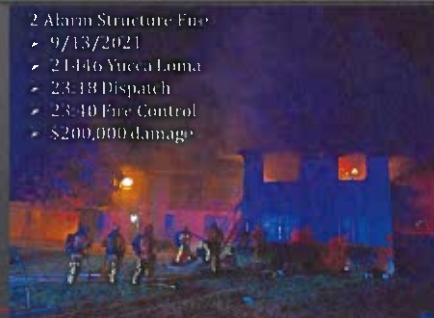
- Commercial Structure Fire- 2-Story Apartment
 - 5 Children and Mother escaped safely
 - Fire was started from a candle left unattended



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21446 Yucca Loma Road


- 2 Alarm Structure Fire
 - 9/13/2021
 - 21446 Yucca Loma
 - 23:18 Dispatch
 - 23:40 Fire Control
 - \$200,000 damage



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Behind 19341 Bear Valley


- Vegetation/Debris Pile
 - 2 Juveniles started the fire
 - 1 Juvenile was linked to a previous fire the day prior
 - Both were arrested and booked into Juvenile Detention Center



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27126 Cahuilla Road

- Residential Structure Fire with Multi-structures/vegetation involved
 - Fire is currently under investigation




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Staff Comments District

Old Business:

- AMR Ambulance
- Closure of St. Mary's Hospital
- Town Staff and Chamber Meetings
- Chaplain Recruitment
- Wellness Program
- Social Media Increases



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Ambulance Transport

Month	AMR Calls	AMR Dispatches	% Completion w/ 8
January	1572	1778	84%
February	1298	1388	86%
March	1446	1606	89%
April	1645	1828	90%
May	1558	1750	89%
June	1543	1661	93%
July	1692	1898	89%

- Under the current contract, the response time standard is: *The provider shall respond to all 9-1-1 requests for service with an ALS ambulance, unless exempted by ICEMA policy, in 9 minutes and 59 seconds (9:59) 90% of the time.*
- ICEMA has the authority to grant exemptions to keep AMR out of breach of contract, but still charges fees for not meeting their contractual obligations.
- Failure to comply with the response time requirements within the FOA for three consecutive months, or four months within a twelve month period constitutes major breach of contract.

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Cooperators Model

- Chino, Ontario:
 - Purchased Ambulances and staffing with suppression personnel
 - Staffing at these departments include 4 person rigs.
- Chino runs several Paramedic squads
- San Marino:
 - Staffing AMR ambulances 0800 Friday until 0800 Monday
- San Bernardino County:
 - Addition of BLS Ambulances
- Victorville:
 - Exploring different options???

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Operational

- Firefighter Recruitment
 - Closes September 30, 2021 (80 applications)
- Promotional Exams:
 - Engineers Exam in October
 - Captains Exam in November



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Recruit Academy

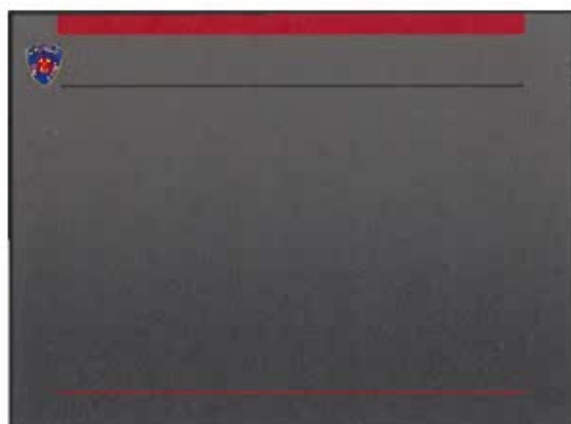


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Rebranding Ourselves



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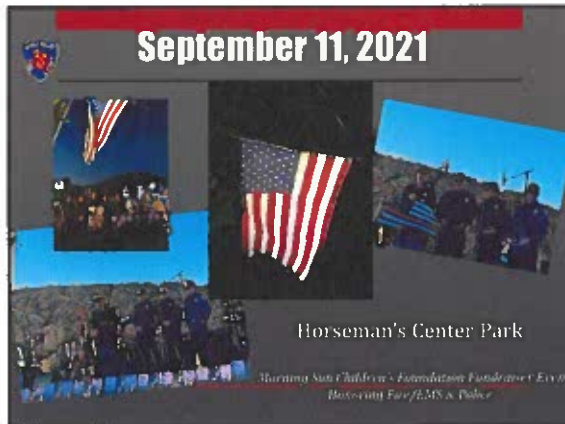
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