

MEASURE F CITIZEN ADVISORY COMMITTEE

February 12, 2024
2:00 p.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) OLD BUSINESS

There is no old business.

5) NEW BUSINESS

- 5.1 Minutes from November 16, 2023
- 5.2 Review of the Draft Report
- 5.3 Development of the Findings

6) 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

November 16, 2023

Minutes

1. **Call to Order:** Committee Chair, Nancy Reichard, called the meeting to order at 2:00 pm

The following committee members were present: Chief Justin McDonald, Robin Quigley, Kevin Jenkins and Nancy Reichard. Assistant Chief Chris Emmons was also present.

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

A motion was made by Nancy Reichard approve the agenda, with a second by Kevin Jenkins. All were in favor.

3. **Public Comment:** The following community members provided comments – Daryl Chinn and Laura Chin.

4. **Old Business:** There was no old business.

5. **New Business**

- 5.1. **Minutes from August 29, 2022:** A motion was made by Robin Quigley to approve the minutes, with a second by Kevin Jenkins. All were in favor.

- 5.2. **Recap of Measure F and the Previous Report:** The Chief presented this topic and there were no questions or comments.

- 5.3. **Review Goals and Financials for FYE 22/23:** It was staff's recommendation to keep the goals for FY 23/24.

- 5.4. **Receive FY 23/24 Projections and Recommend Any Revisions to Goals:** There was no action taken.

- 5.5. **Develop Draft Committee Report:** Staff will update the draft report and send it out to the committee for review.

6. **Adjournment:** The meeting was adjourned at 3:47 pm.

The next meeting was scheduled for December 19, 2023 at 2 pm.

Date:

To: Board of Directors, Arcata Fire District

From: Measure F Citizen's Advisory Committee

Background:

Measure F was approved by voters in the September 2020 election.

Measure F was a repeat of the failed ballot Measure R from March 2020, 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.

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.

The Measure states that "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."

Section 2 of Ordinance 20-20: *"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."*

Committee Purpose:

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:

- Become familiar with current and projected District revenues and expenditures.
- 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.

- Make a determination that 2020 Special Tax (Measure F) are expended only for the purpose established by Ordinance 20-20.
- Advise the public as to whether the District is in compliance with the requirements of Ordinance 20-20.
- Provide an annual report of the findings of the Committee of expenditures from the 2020 Special Tax (Measure F) are compliant with Ordinance 20-20.
- Participate in a public forum reviewing expenditures of funds derived from the 2020 Special Tax (Measure F).
- 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 2020 Special Tax (Measure F).

Goals from Measure F as presented to the public:

Specific goals for the funds produced by 2020 Special Tax (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 aging 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.
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Year 2 (Fiscal Year 22/23) for the 2020 Special Tax

Original Proposal for Year 2 (July 2022 - June 2023):

1. Hire & fill the final 3 firefighter vacancies.
2. Replace high mileage command vehicle.
3. Allocate \$200,000 to the vehicle replacement fund.

With where the District ended FY 21/22 with regards to staffing and equipment needs, the goals for year 2 needed to be revised. Staff, in conjunction with the District Board revised the goals to reflect the following plan.

Revised Goals for Year 2:

1. Fill 4 open Captain positions & 1 Engineer position.
2. Replace 1 high mileage command vehicle.
3. Allocate \$200,000 to the Contingency Reserve Fund.
4. Allocate \$200,000 to the Vehicle Replacement Fund.
5. Allocate \$200,000 to the PERS Rate Stabilizations Fund.

The FY 22/23 Realities

In reality, significant progress has been made. By August 2022, three Captain positions were filled, and in November 2022, an Engineer position was successfully recruited and hired. The organization purchased a pre-owned pickup to be converted to a command in February 2023, enabling the retirement of the Chief's high mileage command vehicle. Furthermore, financial allocations were made in March 2023, with \$200,000 each going to the Contingency Reserve Fund, Vehicle Replacement Fund, and PERS Rate Stabilization Fund.

Additional notable events include the retirement of Assistant Chief Campbell in December 2022, with Assistant Chief Emmons assuming the role. During the same month, a used electric vehicle was acquired through grant funding and placed into service as a Prevention Bureau vehicle. In March 2023, the organization acquired a used Wildland Engine (Type 3), and in April 2023, the new Type 1 Pierce engine was successfully integrated into service. These achievements and adjustments reflect the dynamic nature of the organization's efforts to enhance its capabilities and maintain readiness.

Fiscal Year 22/23 Budget

At the October 10, 2023, Regular Board Meeting, the Board received a presentation of the Fiscal Year End close out for 2022/23. It was reported a positive outcome for the District with \$265,022 in retained revenues. In terms of revenues, the tax revenue and interest aligned with mid-year projections, while an increase in intergovernmental revenue was attributed to an accountant's adjustment for money received post-fiscal year end from the County. Charges for service experienced a boost due to enhanced fee recovery for accidents and prevention services, and miscellaneous revenues saw an increase from the sale of Engine 8216 and Unit 8206.

On the expenditure side, salaries and benefits expenses were notably underspent by 7%, primarily stemming from savings in health care premiums. The calculation, considering all employees as a family of four for cost budgeting, revealed a quarter of employees with lower costs due to dependent coverage. Service and supplies expenses were below projections, ending 12% below mid-year estimates. Despite underspending in most service and supply categories, exceptions included equipment maintenance, membership dues, and utilities.

The Other Expenditures section of the budget, encompassing one-time capital expenses, debt services, and fund transfers to reserve accounts, exceeded mid-year projections by 25%. This increase was driven by capital expenses incurred for the purchase of a new duty pickup, replacement of the Type 3 engine, and the change order costs for the new Type 1 engine. Overall, the fiscal year's financial performance reflects prudent management of resources, with savings in certain areas contributing to the positive retained revenues for the District.

Specific to the 2020 special tax, the District collected \$2.2 million in revenue and expended \$1.9 million. The Special Tax funded the Assistant Chief position, three Fire Captain and three Engineer positions. The tax also covered the operational cost of running the McKinleyville Fire Station. The 2020 Special Tax also covered the vehicle purchases that were listed above and half the of the amount that was transferred to the reserve funds. There was a little over \$120,000 in retained revenues.

The District generated \$2.2 million in revenue from the 2020 Special Tax. The allocated funds, amounting to \$1.9 million, were utilized for various purposes. Notably, the special tax supported essential personnel positions, including the Assistant Chief, three Fire Captains, and three Engineers. Additionally, it covered the operational expenses associated with the McKinleyville Fire Station and facilitated the acquisition of specified vehicles. Furthermore, half of the sum designated for reserve funds was financed by the 2020 Special Tax. Following these expenditures, there remained slightly over \$120,000 in retained revenues.

The following chart is the draft close out of the Fiscal Year 22/23 budget.

Revenue Sources	General Operating Fund	2006 Benefit Assessment ⁽¹⁾	2020 Special Tax ⁽²⁾	Prevention Program ⁽³⁾	Striketeam Reimburse	TOTAL
Tax Revenue	\$2,739,064	-	-	-	-	\$2,739,064
District Assessment & Tax	-	\$1,435,417	\$2,292,939	-	-	\$3,728,356
Interest	\$46,379	-	-	-	-	\$46,379
Intergovernmental	\$109,961	-	-	-	\$7,759	\$117,720
Charges for Service	\$22,805	-	-	\$61,394	-	\$84,199
Other Revenue	\$121,235	-	-	-	-	\$121,235
Total Revenue	\$3,039,443	\$1,435,417	\$2,292,939	\$61,394	\$7,759	\$6,836,952
Expenditures and Appropriations						
Personnel	\$2,629,941	\$623,391	\$618,018	\$86,713	\$771	\$3,958,835
Services & Supplies	\$283,904	\$284,492	\$284,492	\$9,209	\$0	\$862,097
Debt Service	\$128,234	\$128,234	\$259,477	-	-	\$515,946
Capital Expense	-	-	\$224,554	-	-	\$224,554
Operating Fund Transfers	\$371,647	\$62,365	\$576,488	-	-	\$1,010,500
Total Expenditures	\$3,413,727	\$1,098,482	\$1,963,029	\$95,922	\$771	\$6,571,931
Fund Balance	(\$374,284)	\$336,935	\$329,910	(\$34,528)	\$6,988	
				Surplus/(Deficit)		\$265,022

DISCUSSION:

On November 16, 2023, the members of the Citizen’s Advisory Committee met with Chief McDonald and Assistant Chief Emmons. The Chief presented a recap of Measure F and the previous year’s report, with no ensuing questions or comments from the committee members. The committee also reviewed the revised goals and financials for FYE 22/23, deciding to maintain the goals for FY 23/24 as recommended by the staff.

FINDINGS:

WAITING ON COMMITTEE FINDINGS