

**BOARD OF FIRE COMMISSIONERS
SIERRA FIRE PROTECTION DISTRICT**

TUESDAY

10:00 A.M.

MARCH 23, 2010

PRESENT:

David Humke, Chairman
Bonnie Weber, Vice Chairperson
Robert Larkin, Commissioner
Kitty Jung, Commissioner
John Breternitz, Commissioner

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

The Board convened at 11:36 a.m. in regular session in the Commission Chambers of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada, and conducted the following business:

10-17SF AGENDA ITEM 2A

Agenda Subject: “Approval of Agenda for the March 23, 2010 Board of Fire Commissioners Meeting.”

There was no public comment on this item.

On motion by Commissioner Breternitz, seconded by Commissioner Larkin, which motion duly carried, Chairman Humke ordered that Agenda Item 2A be approved.

10-18SF AGENDA ITEM 2B

Agenda Subject: “Chief’s Report.”

Fire Chief Michael Greene updated the Board on the funding for the Arrowcreek Fire Station. He indicated there was a conference call scheduled between County staff and a project manager from the Federal Emergency Management Agency (FEMA) to discuss ways of reconciling the difference between the requested amount for the station and the amount awarded. Chief Greene stated he would advise the Board on the outcome of those discussions.

Chief Greene explained the focus would be changed for the upcoming evacuation drill. He noted instead of a wildfire a chlorine tank leak would be simulated

on the Mt. Rose Highway to learn the impacts to residents and procedures that would need to occur if such an event happened.

There was no public comment on this item.

On motion by Commissioner Breternitz, seconded by Commissioner Larkin, which motion duly carried, Chairman Humke ordered that Agenda Item 2B be approved.

10-19SF AGENDA ITEM 2C

Agenda Subject: “Approval of volunteer report.”

Fire Chief Michael Greene said in terms of the heart and lung physicals required, 100 percent compliance was achieved. He indicated of the 110 volunteers, 62 were classified as firefighters and needed to take the heart and lung physical and they were in complete compliance. Chief Greene explained the different levels and zones available for volunteers.

Chief Greene stated there was cooperation between the Sierra Fire Protection District (SFPD) and the Truckee Meadows Fire Protection District (TMFPD) in working with volunteers to define the roles and training standards.

There was no public comment on this item.

On motion by Commissioner Breternitz, seconded by Commissioner Larkin, which motion duly carried, Chairman Humke ordered that Agenda Item 2C be approved.

10-20SF AGENDA ITEM 3

Agenda Subject: “Discussion and Board input regarding program goals in developing the FY 2010/11 budget.”

Fire Chief Michael Greene commented this was an on-going process to develop the budget, review the decline in revenues, prioritize the programs and establish goals.

Commissioner Larkin stated it was commendable to keep the current staffing levels and reduce overtime expenditures by better utilizing existing 40-hour employees. He inquired about the Volunteer Training Officers that were being established. Chief Greene explained there were five volunteer departments and each of those departments had a designated training officer which worked with the District’s Training Division. Commissioner Larkin asked if the cost-savings being intimated were true-savings or monies being reallocated. Chief Greene replied those were salaried

positions, so the savings in moving those positions to provide shift coverage and avoiding overtime was a true savings.

Commissioner Larkin said the \$100,000 the District was paying the Nevada Department of Forestry (NDF) for fuels management in Little Valley was part of the agreement. However, Little Valley belonged to the University of Nevada, Reno (UNR). Commissioner Larkin wondered how the District was picking up the expense for UNR's fire protection. Chief Greene said the agreement provided for the transfer of the District from NRS 473 to NRS 474, and that the District assumed all the fire suppression cost of that entire area. In lieu of that, the District agreed to a five-year period to put \$100,000 toward targeting Little Valley since that was a hazard area and to reduce the hazard through fuels management. He said the Forest Service and NDF were partners in that effort, but stated UNR had not contributed to the program. Commissioner Larkin felt the landowner had some responsibility for hazard reduction. He said the program for Little Valley was a good fire tool that ran counter to the ecosystem restoration through UNR. He stated the Chief should speak to UNR for them to begin participating in the program.

Chairman Humke agreed with Commissioner Larkin's remarks concerning Little Valley. He said if UNR were to manage the land, the University should "belly up to the bar," and participate.

There was no action taken or public comment on this item.

10-21SF AGENDA ITEM 4

Agenda Subject: "Discussion and possible approval of the Health Benefits Programs for SFPD employees, employee's dependents, and retirees for FY 2010/11, for an approximate cost of \$570,278 and authorize Fire Chief to execute insurance contracts and service agreements necessary to continue the Programs."

Commissioner Larkin indicated this proposal was a 16 percent increase; however, all departments were requested to come forward with decreases. He asked how this was negotiated and how this costing method was reached.

Katy Simon, County Manager, explained the District was separate for negotiations and was a small unit with a different array of services and incentives for negotiations. She said Human Resource (HR) staff worked with them, but the District did this on their own and had different actuarial frameworks, different claim experience and different health status, which meant different rates for the same coverage.

Commissioner Larkin stated it was still a 16 percent increase in benefits, which was contradictory to the direction from the Board of Fire Commissioners. He felt the Chief needed to return, retool and reevaluate. He remarked in this recession this increase in benefits was not acceptable and stated he would not support the agreement.

However, he said he would support remanding this back to rework because at the moment the package was unsustainable.

Based on the labor agreement with the Association, Chairman Humke asked if the District was precluded from joining other groups to negotiate a health benefits contract. Chief Greene explained the District was a separate group that went out for competitive bids. He said there was cooperation in reviewing ways of containing costs. Originally, he was going to request a two-month extension in order to continue reviewing the costs. Chief Greene felt that could still be completed by approving the contract while continuing to look at solutions. He said while the cost did increase by 16 percent, compared to the County's costs the District's cost was still less because it was a smaller group and able to find competitive prices. However, the deadline was approaching and without taking action the contract would renew on April 1st. He said he would return to the Board with cost saving options, but this agreement needed to be approved in order to maintain healthcare coverage.

Chairman Humke asked if the District considered adhering to a larger group such as the County. Chief Greene replied the insurance broker did review whether the District could partner with other fire districts to receive a better rate, but emphasized the contract would expire soon and it was important to renew that contract. Chairman Humke asked if a two-month extension was negotiated to the existing contract. Chief Greene replied that an extension was not negotiated. He said the insurer said the contract could be cancelled at any time, but the renewal needed to be completed by the first of April, with a possible alternative of an extension, while options were reviewed.

Chairman Humke asked if there had been an analysis of the 2,700 page Healthcare Legislation that had passed. Ms. Simon said the County belonged to an association of HR professionals and explained national analysts were reviewing the Legislation; however, those results were not yet available.

Commissioner Breternitz stated any liability insurance was a major cost to any operation and, in his experience, the requests for quotes on renewal was approached earlier than right before the expiration date. He said he was concerned to hear about the April 1st deadline and the fact that the Board was only hearing about this now, which allowed limited options for discussion.

Chairman Humke suggested Chief Greene return later in the meeting and consider bringing other options to the Board. Commissioner Larkin agreed, and said he would not be opposed to extending the current contract for two months while discussions occurred. Chief Greene requested the Board allow 60 days at the increased rate and then he would return with alternatives.

Melanie Foster, Legal Counsel, stated there was not a copy of the draft agreement or the current agreement with the staff report. She requested a copy to review to ensure the termination provision allowed renewing and/or terminating.

In response to the call for public comment, Alex Kukulus, President of the Sierra Firefighters Association, said he was part of the negotiations and indicated bids went out in an attempt to find the most cost effective way to provide medical insurance for the membership. He said the Association was not privy to join with the County since the District was a separate employer. Mr. Kukulus said three years ago medical benefits were ascertained that were much lower than County employees and he felt the District was now playing catch-up. He said the renewal costs were less than what County employees received previously and explained the District was not out to increase benefits. Mr. Kukulus clarified that the total cost for the premiums was \$570,000 with a large portion of that amount borne by the employees.

Frank Partlow said the current status quo for providing this level of government was unsustainable across the country because it was unaffordable.

Steve Watson explained the District was in a multi-year agreement and the contract negotiations for the labor agreement at this point were not open for bargaining. He said the District was involved and went out to receive quotes. He indicated the costs were less than the County's cost for health insurance. Mr. Watson stated as a separate employer, the District was not eligible to be incorporated into the County's group plan.

Commissioner Breternitz said a statement was made last year that the County plan grew at a rate higher than the 16 percent and he asked if that was accurate. Mr. Watson stated that was accurate.

Chief Greene said he understood the direction from the Board was to return with additional alternatives. However, since it was a topic of bargaining, he did not know if any additional options could be presented without negotiating with the Union. Chairman Humke said it also needed to be reviewed if the contract provided for any additional negotiations.

12:12 p.m. The Board recessed until later in the meeting.

4:32 p.m. The Board reconvened to continue discussion on Agenda Item 4.

Chief Greene stated he discussed alternatives with HR Labor Relations and the vendor. He noted Ms. Foster had reviewed the contract and said it was a contracted benefit. Chief Greene said the Union had been seeking alternatives and a meeting was scheduled for March 24, 2010 to review those various options. He requested the Board renew the current contract with direction to return with options and alternatives within 60 days.

Ms. Foster said the agreement allowed termination upon 31 days notice. She suggested direction be given during this term to look for further alternatives and negotiate with the employees which could be tied to the expiration of the current collective bargaining agreement.

Commissioner Larkin asked about extending the current contract for 60 days. Ms. Foster said the Board could direct that notice of termination be given or that the issue return to the Board within a period of time to be able to give notice of termination. However, if the employees and the Union were unable to arrive at a better deal that could be a problem. Commissioner Larkin asked what net gain would be achieved if the current deal was accepted with a 31 day expiration or notice of cancellation. Ms. Foster said she was not negotiating the agreement and would not comment.

Commissioner Larkin stated he was unhappy that the Chief waited this long to bring this forward to the Board. He said the Board was paying the Chief to manage the Fire District, but this was close to not managing that District and he was unhappy with the state of affairs. Chief Greene said the issue was that this was a contracted benefit for the District. He requested that the contract be renegotiated and reopened in order to seek concessions.

Commissioner Larkin asked if the Board was overtaxing the Chief and if his plate was too full. Chief Greene stated that was not the issue. He said he understood the discussions were going on relative to the County health benefits and that this was a contracted benefit. Chief Greene said he was seeking options to reduce the healthcare costs, but based on the contract with the labor union, his option was to approach the Board seeking concessions. He now understood that should have been done sooner. Commissioner Larkin said using the County's costs as the benchmark was not correct. He felt this should be looked at independently and said any type of benefit increase in these economic times was not appropriate. Commissioner Larkin stated he held the Chief accountable for not notifying the Board early on and giving them the option of making the decision. Chief Greene stated if he was not successful in reducing costs he would bring back the option of reopening negotiations.

Commissioner Breternitz said it was unfortunate to be in this situation. He said the Board should establish a policy on what was being looked for across the board as related to health benefits to receive a more consistent, well-applied program.

Ms. Foster added a requirement needed to be included that the documents be reviewed by the District's legal counsel in the District Attorney's Office and approved before signature.

Commissioner Larkin moved to authorize Chief Greene to enter into this contract with the caveat that a better healthcare deal was being sought, subject to review by the District Attorney's Office, and that the Chief be authorized to execute the agreement. Commissioner Breternitz seconded the motion.

Chairman Humke asked if the motion included the Chief seeking a 60 day extension to the current contract. Ms. Foster said offered would be the ability to sign on to the current large group master contract and then the District could bow out of it with a 31 day written notice. She said the Board could hear back from the Chief in that period, but since it required Board action to terminate, that may be too prescriptive.

On call for the question the motion passed on a 5 to 0 vote.

10-22SF AGENDA ITEM 5

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

There were no Board member comments.

10-23SF AGENDA ITEM 6

Agenda Subject: “Public Comment and discussion thereon. The Sierra Fire Protection District Board of Commissioners 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.”

There was no response to the call for public comment.

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4:51 p.m. There being no further business to come before the Board, the meeting was adjourned.

DAVID E. HUMKE, 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 County Clerk*