

**MINUTES OF A RESCHEDULED MEETING OF THE BOARD OF DIRECTORS
OF THE TWENTYNINE PALMS WATER DISTRICT
72401 HATCH ROAD, TWENTYNINE PALMS, CA 92277**

DECEMBER 21, 2011

FIRE DEPARTMENT BUSINESS

Call to Order and Roll Call

President Cisneros called the meeting to order at 6:24 p.m., 72401 Hatch Road, Twentynine Palms, California. Those responding to roll call were Directors Bo Bourikas, Chancey Chambers, Philip Cisneros, Sam Moore and Roger Shinaver. Also present were Fire Chief Jim Thompson, Financial Consultant Wayne Jones and District Secretary Paula Rogers.

Additions/Deletions to the Agenda

Chief Thompson stated Legal Counsel recommended that a closed session be added to the agenda pursuant to Government Code Section 54954.2(b)(2) because there is a need to discuss a matter and the need arose after posting the agenda. The item to be added to the agenda is Conference with Legal Counsel – Anticipated Litigation, pursuant to Government Code Section 54956.9(b), one potential case. Director Moore moved to add the Closed Session to the agenda, seconded by Director Shinaver and approved by the following roll call vote:

Ayes: Directors Bourikas, Chambers, Cisneros, Moore and Shinaver

Noes: None

Public Comments

None

1. Closed Session – Conference with Legal Counsel – Anticipated Litigation – Pursuant to Section 54956.9 (b) of the California Government Code – One Potential Case

Director Bourikas moved to enter closed session at 6:26 p.m., seconded by Director Chambers and approved unanimously.

The Board returned to open session at 6:42 p.m. Director Cisneros announced no action was taken during closed session that is required to be reported under the Brown Act.

2. Public Hearing on Proposed Ordinance 94 Authorizing and Setting a Special Parcel Tax for Fire Protection and Emergency Medical Services and Submitting the Special Parcel Tax and Question to Establish the District's Appropriations Limit to the Qualified Voters of the District

Director Cisneros opened the public hearing at 6:43 p.m. The public hearing began with a presentation by Chief Thompson. Chief Thompson provided background on the organization and size of the Fire Department to include facilities, daily staffing, emergency response requirements and coverage area.

Chief Thompson explained the difference between Class 4 and Class 9 community insurance ratings which are based on a home's distance from a fire station and a fire hydrant. Chief Thompson gave examples of potential annual insurance premium increases if the Fire Department was forced to close a fire station, using Insurance Services Office Class 4 versus Insurance Services Office Class 9, for residents in the City Core, Indian Cove and Desert Heights, as well as Commercial properties. Chief Thompson stated the voter approved special tax accounts for 95% of the Fire Department's revenue. Chief Thompson stated that by law, Water District revenues cannot be used for Fire Department operations and the Fire Department does not receive any portion of the general tax levy nor does it receive any portion of sales or transient occupancy tax. Chief Thompson provided a tax history of the Fire Department which had a tax of \$33.85 in 1985, \$57.00 in 1996, \$54 in June 1997 through to the current special tax of \$80.00 approved by the voters in March 2005. Chief Thompson provided a chart detailing Operating Fund Balance from 2005-2013 to demonstrate how since the last special tax increase was implemented, the Fire Department built a fund balance over the first few years of the increase, but in the last few has been spending fund balance, and by 2013 will not have sufficient revenue to operate at current service levels. Chief Thompson reviewed per capita cost for Fire Protection comparing Adelanto, Apple Valley, Barstow and Twentynine Palms, stating the per capita cost for Twentynine Palms' fire protection is approximately \$70 per person. Chief Thompson gave an overview of the highlights of proposed Ordinance 94, as follows:

- Effective date of increase – July 1, 2013
- 50% Special Tax increase to \$120 per unit
- Annual inflation adjuster for 10 years with two options of either an increase of 4% per year or a flat \$6.00 per year
- Maintain current service at two fire stations
- Increase service level in 2017 and add a 2-person patrol (cross staff truck at Fire Station 421
- Combination of career/volunteer staff
- Long term sustainability

Chief Thompson said if there is no tax increase by 2013, it would cause a drastic reduction in the current service level, inadequate response times to emergencies and the potential for increased insurance rates for both homeowners and commercial properties. Chief Thompson added there may be insurance industry changes coming where insurance companies would take into consideration total staffing of fire departments and if we do not have adequate staffing, it could force all the residents of Twentynine Palms into the Class 9 rating. Chief Thompson also stated the steps for implementation of Ordinance 94 beginning with approval by the Board of Directors, followed by a special mailed ballot measure on April 17, 2012 requiring 2/3 voter approval. Chief Thompson said if Ordinance 94 is approved by the required 2/3 vote, it would become effective on July 1, 2013.

Chief Thompson addressed questions that were raised by a citizen at the December 8th Special Meeting regarding the Fire Department receiving a new fire engine that was incorrectly painted red and of fire personnel/engines being

parked at Stater Bros. Chief Thompson stated it was the Board of Directors' decision to require the manufacturer of the new fire engine to fulfill their contract and correct their mistake as opposed to accepting \$20,000 from the manufacturer and the Fire Department keeping a red fire engine. Chief Thompson explained that there are different crews each day at the fire stations and they are on 24-hour shifts. Chief Thompson said they are responsible for their own meals and the crews travel to Stater Bros. to obtain groceries and, due to limited staffing, use the fire engine so they are prepared to respond if there is an emergency.

Director Cisneros asked if there was anyone present at the meeting who requested to comment for the public hearing or any mailed written comments. Ms. Rogers stated two written comments were received and one person is present who requests to comment. Ms. Rogers read a letter received from Mr. Dennis Matthews who requested a provision for the potential special tax that would allow taxpayers who own a residence and one or more unimproved adjacent lots, to apply for a rebate each year, such that their parcels would be treated as one parcel for the purpose of the special tax. Director Cisneros stated maybe this request should be set aside and reviewed with legal counsel. Chief Thompson stated he discussed this request with legal counsel and received their opinion. Chief Thompson said according to legal counsel, the current and proposed special tax are imposed the same as the ad valorem tax that is currently imposed on each separate parcel and there is nothing that the District, or the County Tax Collector could do to change the manner in which a special tax is imposed on each parcel under the law. Chief Thompson added legal counsel's opinion is that because of the way the special tax is imposed, the District could not structure some type of rebate system or treat certain property owners and their parcels different than other property owners and their parcels. Ms. Rogers read a second written comment from Larry Briggs of Plaza Realtors who wanted to go on record being strongly in favor of the Proposed Ordinance 94 and also in favor of substituting a \$6.00 a year increase in lieu of a 4% a year increase. Mr. Robert Coghill requested to comment and stated he retired ten years ago after 32 years of service with the Fire Department. Mr. Coghill said the special tax is not for the Water District or the Fire Department, but that it is for our community. Mr. Coghill added that the Department has been forced to find a funding source since 1958, but this time Chief Thompson, Wayne Jones and the Board of Directors have found a process to sustain the Fire Department and urged the people to vote yes when the time comes. Director Chambers commented that it is possible that an insurance increase for a Class 9 rating could be higher than the increase in special tax and Chief Thompson confirmed.

On motion by Director Moore, seconded by Director Bourikas, the public hearing was closed at 7:05 p.m. by the following roll call vote:

Ayes: Directors Bourikas, Chambers, Cisneros, Moore and Shinaver

Noes: None

3. Consideration and Possible Action to Adopt Proposed Ordinance 94 Authorizing and Setting a Special Parcel Tax for Fire Protection and Emergency Medical Services and Submitting the Special Parcel Tax and Question to Establish the District's Appropriations Limit to the Qualified Voters of the District

Chief Thompson stated there are two proposed alternatives of Ordinance 94 that are the same with exception of the amount for annual increase. Chief Thompson said Alternative 1 has an annual increase of 4% for ten years and Alternative 2 has an annual increase of \$6.00 for ten years. Following discussion, Director Bourikas moved to adopt Ordinance 94 Alternative 2 with a \$6.00 annual increase for ten years, seconded by Director Chambers and approved by the following roll call vote:

Ayes: Directors Bourikas, Chambers, Cisneros, Moore and Shinaver

Noes: None

4. Consideration and Possible Action to Authorize Formal Negotiations for Contracting with CAL FIRE for Dispatch Services

Chief Thompson stated at the October Board Meeting the Board approved termination of the current contract for dispatch services with CONFIRE JPA and review of alternative options for dispatch services. Chief Thompson said he pursued discussions with CAL FIRE to explore options and the initial discussions were favorable, but in order to move forward into formal negotiations, CAL FIRE would require Board action. Chief Thompson explained the differences related to dispatch service charges and radio equipment costs/requirements for both CONFIRE JPA and CAL FIRE. Chief Thompson stated his recommendation would be that the Board authorize formal negotiations for contracting dispatch services with CAL FIRE and authorize the Board President and Fire Chief to have signing authority on behalf of the District; and to further direct the Fire Chief to assist CAL FIRE with any information necessary to complete an agreement. Following discussion, Director Chambers moved to authorize formal negotiations with CAL FIRE for dispatch services and authorize the Board President and Fire Chief to have signatory authority on behalf of the District in regard to submitting the letter of intent; and further direct the Fire Chief to support and assist CAL FIRE with any information necessary to refine the proposal and any subsequent details necessary to reach agreement, seconded by Director Moore and approved by the following roll call vote:

Ayes: Directors Bourikas, Chambers, Cisneros, Moore and Shinaver

Noes: None

Director Cisneros emphasized that a proposed contract would have to be approved by the Board before it could be signed.

5. Consent Calendar

- Minutes of the Rescheduled Meeting held on November 21, 2011 and the Special Meeting held on December 8, 2011
- Audit List

Director Shinaver moved to adopt the Consent Calendar, seconded by Director Chambers and approved unanimously.

6. Items Removed From the Consent Calendar for Discussion or Separate Action
None

7. Department Reports

7.1 Fire Chief's Report

Chief Thompson reported the Department responded to 195 calls for assistance during the month of November. Chief Thompson noted the Department had four working structure fires in November and emphasized fire safety when using fireplaces and furnaces. Chief Thompson also advised everyone to have a safe holiday by being extra cautious with holiday lighting and trees. Director Bourikas asked if Chief Thompson could tell the public who they may contact to insure proper installation and use of a woodstove. Chief Thompson stated the public could contact a business such as All Seasons.

7.2 Finance Report

The Board did not have any questions regarding the Finance Report.

8. Future Agenda Items and Staff Tasks/Directors' Comments and Reports

Director Chambers thanked the public for their participation with the Special Fire Tax. The Board wished everyone happy holidays.

9. Adjournment

On motion by Director Moore, seconded by Director Chambers and approved by the Board, the meeting was adjourned at 7:28 p.m.

Philip C. Cisneros, President
Board of Directors

Attest:

Mike Wright, Board Secretary
Twentynine Palms Water District