



Aptos/La Selva Fire Protection District

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FINAL Minutes

Aptos/La Selva Fire Protection District

BOARD MEETING

Minutes of March 10, 2011

MEETING CALLED TO ORDER AT 7:00 PM BY PRESIDENT JOHNSTON

1.0 ROLL CALL PRESENT: JOHNSTON, SPISAK, WEATHERFORD

ABSENT: ABENDSCHAN, HURLEY

1.1 INTRODUCTIONS: FIRE CHIEF JEFF TERPSTRA
 BOARD SECRETARY FRED MALMLUND
 DC JIM DIAS
 DC MIKE CONRAD & FAMILY
 CAPTAIN BOB SNYDER & FAMILY
 FF/PM AARON PAASCH
 CAPTAIN SCOTT CULLEN
 FF/PM NATE CALCAGNO

2.0 PLEDGE OF ALLEGIANCE & AWARDS

2.1 Division Chief Mike Conrad and Captain Bob Snyder were presented badges. Firefighter Aaron Paasch was presented a 15 year service pin.

3.0 COMMUNICATIONS FROM/TO BOARD MEMBERS & PUBLIC

3.1 ORAL COMMUNICATIONS None

3.2 WRITTEN COMMUNICATIONS Included in the board packet were various newspaper clippings which mentioned the district and letters regarding the LAFCO board election.

4.0 CONSENT AGENDA

4.1 MOTION TO ACCEPT & FILE THE MINUTES OF THE REGULAR MEETING OF FEBRUARY 10, 2011

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- 4.2 MOTION TO APPROVE CLAIMS DISBURSEMENTS OF FEBRUARY 5, 2011 THROUGH MARCH 4, 2011
- 4.3 MOTION TO ACCEPT & FILE THE FAMIS GENERAL LEDGER REPORTS FOR THE PRIOR MONTH-END
- 4.4 MOTION TO APPROVE DISBURSEMENT IN THE AMOUNT OF \$28,351.01 TO SANTA CRUZ COUNTY CLERK/ELECTIONS DEPARTMENT FOR THE NOVEMBER 2, 2010 ELECTION
- 4.5 MOTION TO APPROVE A CONTRACT WITH THE DISTRICT’S WEED ABATEMENT CONTRACTOR
- 4.6 PUBLIC COMMENT ON CONSENT AGENDA ITEMS None

On motion by Director Weatherford, seconded by Director Spisak, that Consent Agenda items 4.1 through 4.5 be approved, as submitted, was approved by the following vote:

Ayes: Johnston, Spisak, Weatherford
Noes: None
Abstain: None
Absent: Hurley, Abendschan

5.0 ITEMS REMOVED FROM CONSENT AGENDA None

6.0 UNFINISHED BUSINESS

- 6.1 DISCUSSION OF REFINANCING THE DISTRICT’S CALPERS SIDE FUND OBLIGATIONS

Business Manager Malmlund reported that a recommendation regarding the refinancing of the district’s CalPERS side fund obligations has been deferred until CalPERS announces their decision on the potential reduction of their investment discount rate, which is currently 7.75%. The establishment of a new lower interest rate could result in a revised amortization of the remaining side fund balance resulting in a lower required payoff amount. In addition, there are other critical factors to consider:

1. We have learned that the side fund obligations are peculiar in that there are no gains or losses recorded on the obligation. If the district ends up paying more or less than is scheduled for a year (as a result of a larger or smaller payroll than is projected by CalPERS) the variance is closed into the pool rather than carried over into the district side fund balance.
2. CalPERS assumes an annual 3.25% pay raise factor in their payroll projections and uses payroll data that is two or three old which is then factored up to create a next-year projection.

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3. The district is currently experiencing payroll savings, compared to the CalPERS payroll projection, due to, a) Increased employee retirements which has and will continue to result in payroll savings due to step grade regression, and b) No pay raises having been recently awarded or currently being projected.
4. It appears the district's required 16.9% contribution rate on payroll next year will result in a side fund payment to CalPERS which is approximately \$50,000 less than the scheduled \$751,437 payment, with no penalty or loss carry forward to the district.
5. Lastly, it appears that the bulk of any potential savings resulting from a refinancing would occur in the last years of the remaining six year amortization with a potential increase in net cost to the district in the first years. There is some risk that changes over the remaining six year period could jeopardize the expected savings while scheduled refinancing debt payments would be fixed.

7.0 NEW BUSINESS None

8.0 STANDING REPORTS

8.1 BOARD OVERSIGHT INQUIRY None

8.2 FIRE CHIEF'S REPORT

Fire Chief Terpstra reported on a recent suicide incident in the district and meetings with PG&E regarding underground natural gas supply lines.

8.3 REPORT FROM FIREFIGHTERS' LOCAL 3535

Scott Cullen reported that meet and confer matters were being conducted with administration in a positive manner.

9.0 CLOSED SESSION 7:52 PM

9.1 EMPLOYEE PERFORMANCE APPRAISAL

The board reviewed the job performance of new Fire Chief Jeff Terpstra

10.0 ADJOURN MEETING 8:21 PM

Secretary to the Board

Board President