

January 18, 2011, 5:30 p.m.

Council Chambers, 333 Civic Center Plaza

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1. Call to Order – Chairperson Thoming called the meeting to order at 5:30 p.m.
2. Roll Call - Roll call found Directors Abercrombie, Ives, Reece, and Chairperson Thoming present.
3. Items from the Audience – None
4. Approval of Minutes – It was moved by Vice Chair Ives and seconded by Director Reece to adopt the regular meeting minutes of October 19, 2010. Voice vote found all in favor; passed and so ordered
5. ACCEPTANCE OF THE FINANCIAL REPORT FOR THE SOUTH COUNTY FIRE AUTHORITY FOR THE FISCAL YEAR ENDING JUNE 30, 2010 – Zane Johnston, Finance and Administrative Service Director, provided the staff report. The independent accounting firm of Moss, Levy & Hartzheim, has examined the financial statements of the City of Tracy for the fiscal year ending June 30, 2010. The audit was conducted in accordance with generally accepted auditing standards. It is the opinion of the auditors that the financial statements present fairly the financial position of the City as of June 30, 2010. Since all financial transactions for the South County Fire Authority are contained within the audited records of the City of Tracy (Fund 211), information for the Authority and its member agencies can be prepared with no necessity for another audit of the Authority. (Tracy Rural Fire District financial records are maintained by San Joaquin County and are not covered as part of the City's audit).

For FY 09-10 the total operating expenses of Fire operations was \$15,229,047. Of this amount, \$4,114,865 is the responsibility of Tracy Rural and \$8,841,981 is the responsibility of the City. In addition, Mountain House had a responsibility of \$2,146,362. All entities have paid their FY 09-10 operating charges in full. Tracy Rural paid its exact charge of \$4,114,865 plus \$100,000 as an annual smoothing payment toward its 1999 accumulated leave balances of its former employees. The District has an estimated remaining liability of \$1,140,893 in regards to the 1999 accumulated leave balances. The District will continue to make an annual payment of \$100,000 until the leave balance liability has been retired.

The City and Tracy Rural are in discussions regarding a pre-paid services agreement. A draft has been prepared and will be discussed with subcommittees appointed by each agency in this regard. The purpose of the pre-paid services agreement will be to fix the debt of Tracy Rural as of June 30, 2008, without any further interest being charged. Instead of a debt, this will represent the City's pre-payment of services to the District in order to run the operations of a relocated Station 92. The amount of the June 30, 2008 debt (net of the August 2008 payment toward this amount) is \$5,622,177. In anticipation of the execution of a prepaid service agreement the City has not requested any

additional funds from the District beyond the District's share of operational expenses for FY 08-09 and FY 09-10 as well as the District's annual \$100,000 smoothing payment toward 1999 leave balances. The leave balance liability is not covered by the pre-paid services agreement.

Staff recommended that the South County Fire Authority Board of Directors accept the financial report for the year ended June 30, 2010.

Director Abercrombie asked Mr. Johnston to explain the mutual aid section. Mr. Johnston stated mutual aid funds are reimbursed by the State. Mr. Johnston added when a crew is dispatched to assist with a fire in Southern California, although initially the expense would be paid by the City, the funds are later reimbursed by the State.

Director Abercrombie asked how long it takes for the mutual aid funds to be reimbursed by the State. Mr. Johnston stated that receiving the reimbursement can take up to four months. Dave Bramell, Fire Division Chief, added that in recent years it has taken up to a year. Sometimes it may transcend into the next fiscal year. Division Chief Bramell indicated the department accounts for the delay in reimbursement separately in the budget.

Director Abercrombie asked if a reason for the delay is because of the OES rig. Division Chief Bramell responded that is part of it. The same reimbursement system applies to the OES engine as well as any of our local resources that respond.

Mr. Johnston added that the State does not currently owe the City any funds.

Director Ives asked if there was an eleven year closure schedule for the accumulative leave for the District's former employees. Mr. Johnston responded if the number were fixed, then there would be an eleven year closure for the leave. Mr. Johnston added the number could grow if the hourly rate of the accumulated leave increases by the time the former District employees retire. Mr. Johnston stated the hourly rate that was used for the report was as of January 1, 2011.

Director Ives asked for confirmation that the report reflected sick leave and vacation accrued while the employees were working specifically for the District. Mr. Johnston responded that was correct. The number of hours cannot increase, but the value amount of the hours can increase.

Director Ives asked if the leave shown on the report is still available to the District's former employees. Mr. Johnston responded yes. Mr. Johnston added employees accrue leave from the commencement of employment with the City. The employee may have hours of sick leave, of which a portion is the responsibility of Tracy Rural.

Director Ives asked for confirmation that the cost could go up based on their hourly wage. Mr. Johnston responded yes as it is based upon the value at the time of payment.

Director Abercrombie asked why the employee's hourly rate was not frozen at the time of conversion. Director Abercrombie asked why Rural is responsible for the pay increases that the employee is getting now. Mr. Johnston responded that it was included in the Labor Agreement that when the employee ended employment under

Rural, they would be able to transfer their balance to the new employer. If the employee had 100 hours of vacation on Rural's books, an option would have been for Rural to pay the 100 hours before they became City employees, and begin with the City with a zero balance. Their 100 hours was brought over to the City. Mr. Johnston added that if the employee retires after ten years and is paid off 100 hours, they will get paid off at their ending rate of pay. The 100 hours will always be Rural's responsibility, but when it is paid to the employee, the responsibility to Rural will change over time for the value of that hour.

Director Abercrombie asked why Rural did not pay the accumulated leave cost at the time of transfer. Mr. Johnston responded that Rural probably did not have the available funds at that time.

Chairperson Thoming asked if the oldest hours were used when an employee uses vacation. Mr. Johnston responded vacation leave is harder to track as vacation balances are reduced. Employees that transferred from Rural have more sick leave hours today than they have as a Rural employee. Most of the overall liability is for sick leave.

Director Reece asked if the vacation hours Rural is responsible for will ever change. Mr. Johnston responded that Rural will always pay for the vacation hours accumulated at the time of transfer when the employee retires. Mr. Johnston stated if an employee had 155 hours when they transferred to the City, but only has 100 vacation hours on the books at the time of retirement, then Rural is only charged for the 100 hours.

Director Thoming referred to Mr. Johnston's example and asked if the District gets charged for the 55 hours as the employee uses them. Mr. Johnston responded that the employee would be earning each year as a City employee. When the employee takes an hour off, it goes through the expense route as wages paid as if they were on duty. Mr. Johnston believed an employee can accumulate a maximum of approximately 350 vacation hours.

Division Chief Bramell added that it depended on the years of service.

Director Johnston responded the employee can have between 300 and 400 hours of vacation on the books. The Memorandum of Understanding provides for the employee to sell back a quarter of the accrued vacation to bring the total under the maximum amount allowed.

It was moved by Director Ives and seconded by Director Abercrombie to adopt Resolution 2011-001 accepting the financial report for the SCFA for the FY June 30, 2010. Voice vote found all in favor; passed and so ordered.

6. ACCEPT AND FILE THE SOUTH COUNTY FIRE AUTHORITY SECOND QUARTER 2010/2011 RESPONSE PERFORMANCE REPORT – Dave Bramell, Fire Division Chief, provided the staff report. The department continuously strives to meet its “first-due” response time performance objectives and its goal to assemble an effective response force at working structure fires. There was a total of 1,374 incidents in the South County Fire Authority during the second quarter of fiscal year 2010/2011. When compared to the same quarter last fiscal year, the total call volume for the quarter was down by 3% in the City, 9% in the Tracy Rural Fire Protection District. However, call volume increased

during the second quarter by 6% in the Mountain House Community Services District (MHCS D) and by 21% on area freeways.

The most frequent incident response type across the jurisdiction remains emergency medical service calls. Medical-aid responses comprised 74% of the total call volume for the quarter. The second most frequent incident type was alarms (10%) followed by fires at 7% respectively.

During the second quarter of FY 2010/2011 the department responded to 74% of all emergency calls in the City with in five minutes. This is down 2% from the first quarter. The response performance in the Rural area decreased by 1% from the previous quarter total. The significance of a 1-2% drop in performance will be better assessed when looking at the performance for the fiscal year in its entirety.

Response performance in the MHCS D was down 7% from the first quarter. For quarters 1 and 2 of Fiscal Year 2010/2011 combined; staff arrived at calls within five minutes 47% of the time. As the MHCS D area develops to the north, the department may see a decline in response performance until a second facility is operated in the community. Fire staff has met with MHCS D staff and a future second fire station site has been selected. The timeline for building this facility has not been determined.

During the evaluation period, the department was dispatched to a total of 22 structure fires. Of the 22 fires, only three occupancies experienced significant dollar loss. The dollar loss due to structural fires in the second quarter was \$219,000 in the City and \$18,273 in the Rural. There were no structural fires in the MHCS D during the evaluation period.

The department's performance objective to confine moderate risk structure fires to the room of origin 75% of the time in the City and 25% in the Rural was achieved during the evaluation period. This objective measures operational effectiveness once units arrive on the scene of a working structural fire. For the first two quarters of this fiscal year, the department confined working moderate risk structure fires to the room of origin or less 75% of the time in the City and 100% in the Rural.

Call queuing is measured to determine the number of times simultaneous incidents occur in one fire company's first-due area. The second quarter statistics illustrate the department continues to see an improvement in call queuing in nearly all areas.

Staff recommended that the South County Fire Authority accept the Second Quarter 2010/2011 Response Report

Chairperson Thoming asked if there is a standard percentage for queuing. Division Chief Bramell responded it was difficult to identify. When the queuing levels were being reviewed, staff called other agencies to identify the best industry practices.

Approximately 10 to 12 % seems to be an acceptable range. The queuing at Station 91 was between 19 and 21% before the engine was added. Division Chief Bramell stated the queuing levels in the first and second quarters were below 10%, which is within the acceptable norms for the industry.

Chairperson Thoming asked if Mountain House's five minute response time was total reflex or dispatch. Division Chief Bramell responded it was dispatch.

Director Reece asked if Engine 91 and Truck 91 respond to the same incident based on their call volume. Division Chief Bramell responded that the graph on page 2 of the staff report reflected individual response times for Engine 91 and Truck 91. The graph showed total number of responses so both of those units, as well as other units, may have been dispatched. Division Chief Bramell stated that five units may be sent to a structure fire. That would be five responses. The 1,374 incident types dispatched for FY 2010-2011, reflects the total calls, and 1,965 shown in the responses by company graph, represents those multiple unit responses.

Director Reece asked if the 21% increase on the freeway incidents in the last quarter, is due to weather. Division Chief Bramell stated it can be seasonal. Staff has also noticed that with the widening of Interstate 205, speeds have increased. Prior to the widening, traffic was more congested with less frequency of high speed type accidents.

It was moved by Director Ives and seconded by Director Reeves to accept the South County Fire Authority Second Quarter 2010/2011 Response Performance Report. Voice vote found all in favor; passed and so ordered.

7. ELECTION OF A CHAIRPERSON AND VICE-CHAIRPERSON OF THE SOUTH COUNTY FIRE AUTHORITY BOARD FOR THE 2011 CALENDAR YEAR - Per the Joint Exercise of Powers Agreement of the South County Fire Authority, the governing board shall be administered by a board of Directors consisting of four members. Two members shall be Tracy City Council members and two members shall be Tracy Rural Fire Protection District Board members.

The Board of Directors will elect annually a Chairperson and Vice-Chairperson from its members. The Chairperson and Vice-Chairperson shall rotate from each member agency, and the Chairperson and Vice-Chairperson shall not be appointed from the same member agency.

As the previous election of a Chairperson for the South County Fire Authority Board was conducted during the January 19, 2010, meeting, with the Chairperson being elected from the Tracy Rural Fire Protection District and the Vice-Chairperson being elected from the City of Tracy, the Board must rotate the election and the Chairperson will be elected from the City of Tracy and the Vice-Chairperson will be elected from the Tracy Rural Fire Protection District.

In the event of the disqualification, or permanent inability to serve as the Chairperson during the year, another member from the same agency shall be appointed Chairperson to fulfill the one-year term.

The Chairperson shall sign all contracts on behalf of the Authority and shall perform other duties that may be imposed by the Board of Directors. The Vice-Chairperson shall act, sign contracts, and perform all of the Chairperson's duties in the temporary absence of the Chairperson.

Vice Chairperson Ives was appointed as Chairperson and Director Reece as Vice Chairperson, for the 2011 calendar year. Voice vote found all in favor passed and so ordered

- 8. Items from the Audience - None
- 9. Adjournment – It was moved by Director Abercrombie and seconded by Chairperson Ives to adjourn. Voice vote found all in favor; passed and so ordered. Time: 5:55 p.m.

The above are summary minutes. The above agenda was posted at Tracy City Hall on January 13, 2011.

Chairperson

Attest:

Secretary