



Meeting Minutes

San Mateo Consolidated Fire Department Board of Directors Regular Meeting Wednesday, April 14, 2021 – 4:00 P.M. Zoom Video Teleconference

1. OPENING

The meeting was called to order at 4:00 pm by Board Chair Goethals.

1.3. Roll Call

Board Members Present: Goethals, Lieberman & Awasthi

Board Members Absent: None

2. AGENDA CHANGES

There were no agenda changes.

3. PUBLIC COMMENT

None

4. CONSENT

Board Member Lieberman commented on item 4.9 regarding the agreement with the City of San Mateo for Finance and Human Resources services for a 5-year term ending on June 30, 2026. He stated it the agreement was not addressed much in advance with City Managers and he is not in favor of a 4% annual increase. He is not objecting moving forward but questions the escalation clause. Chief Administrative Officer (CAO) Corbett to discuss further with Lieberman offline.

Board Member Lieberman made a motion to approve the Consent calendar, which was seconded by Board Member Awasthi. The Acting Board Secretary took a roll call vote and the Consent calendar items were approved 3-0.

5. NEW BUSINESS

Item 5.1 - Receive the Fiscal Year 2020-21 Budget Update & Fiscal Year 2021-22 Budget Preview.

Treasurer Rich Lee provided a Power Point presentation on the current fiscal year 2020-21 budget including a preview for fiscal year 2021-22. Beginning with the general fund, the amended 2020-21 budget assumes \$42.7 million in total revenue. Based on year-to-date revenues, total revenues are estimated to be \$43.7 million where \$2 million is from CalOES deployment reimbursements. Majority of general fund expenditure variances come from salaries, benefits and overtime. Based on year-to-date expenditures, total expenditures are estimated to be \$42.8 million. An unfavorable variable largely represents overtime costs incurred in responding to mutual aid events. The general fund will have an estimated \$43.6 million in total revenues and \$42.8 million in total expenditures. Absent any changes, it is anticipated there will be a net gain of \$0.8 million. However, this does not contemplate the \$1 million in financial relief that SMC fire has committed to provide the member agencies. SMC fire has identified some discretionary expenditures that it can reduce to get projected expenditures down to \$42.8 million, leaving a net reduction of \$200,000 by the end of the fiscal year. This will result in a draw down on the ending fund balance. SMC Fire needs to identify an additional \$200,000 in expenditure reductions in order to meet that goal without impacting the ending fund balance.

Fiscal year 2021-22, the general fund is comprised of the operating contributions from the member agencies with San Mateo at 60% (\$25.2 million), Foster City and Belmont at 20% each (\$8.4 million each). At \$43 million, 80% comes from employee compensation. Salaries and wages comprise the majority at \$27.2 million followed by benefits at \$10.7 million. The long-term financial plan for SMC Fire's general fund estimated for the current fiscal year does contemplate the \$1 million in financial relief and that SMC Fire is committed identifying \$200,000 of additional reductions for expenditures resulting in a net break even. Factoring in known and assumed changes in employee compensation and other operating expenditures, Treasurer Lee shared the financial forecast for the next five years for SMC Fire. The projected change in contributions include a 6% increase next fiscal year and slowing to 2% in the intervening years of the forecast.

SMC Fire's second fund is the Fire Protection and Life Safety Fund (Fund 37). The 2020-21 budget has quite a variance in revenues which is related a decrease in inspection revenue due to a loss of a Deputy Fire Marshal and two Fire Inspectors. In expenditures, there is a favorable variance largely due to SMC Fire addressing the revenue shortfalls which results in about \$200,000 variance between the amended budget and our year end estimate. On the income statement side of this fund, there is \$2.3 million in estimated revenues and \$3.7 million in total expenditures results in a net loss of \$1.4 million. It's projected to end the year with \$200,000 in negative fund balance and will require the general fund to provide a temporary loan to Fund 37 the amount of \$200,000. The fund's long-term financial plan's ending fund balance starts with \$1.2 million in the prior fiscal year, going negative for the current fiscal year, and marginally remaining there until the end of next fiscal year. The fund will break even by 2023 and finally get to the black in 2024. In order to accomplish this, SMC Fire will defund two fire inspector positions as well as not renew the facility lease for the O'Farrell property at the end of December of 2021.

Board Chair Goethals stated he understands the savings from not paying rent at O'Farrell and noted the Chief is working on shared workspace plans in the cities and at Fire Station 28 but asked for clarification regarding the reduction of expenditures by decreasing full time inspectors. Treasurer Lee stated that the inspector positions would still exist but the appropriations for those positions would be defunded. Fire Marshal stated the division just hired back two part time inspectors and they will be able to pick up some of that workload in addition to the fee study which will be presented in May. Between those two things, we can continue to provide the services that we need to be provided and participate with all our mandates. When the financial situation improves and we start actually realizing those revenues from the fee study, it will help Fund 37.

Board Member Awasthi asked for further clarification of what led to the reduction in revenue. Treasurer Lee stated it's related to inspection & plan check revenues that have not come to fruition. As provided in the staff report, it is also related to the loss of inspectors and a Deputy Fire Marshal who help drive the revenue. Board Chair Goethals shared that a loss of inspections was due to COVID. Fire Marshal Marshall stated that reducing staff is counterintuitive but large projects will begin to break ground which will increase the fees collected. We will continue to right the ship and start back in the upward trend. Inspection revenue generated from large public events and theaters have stopped and we made a conscious effort to not hit other industries that have been severely affected by the pandemic. Inspections continue for places that are still open and pose a fire risk.

Board Chair Goethals stated this fund should always have a fund balance and Treasurer Lee agreed that we will achieve the goals of this fund to have reserves at 25% of the operating budget. Board Member Lieberman shared a summary by recapping that we ended up with less work than anticipated, our fee structure was not fully cost recoverable, we will slowly increase fees over time (which will be in place within a year or two), reducing staff and supplemental work can be carried out with a lesser number inspectors, but we will be hiring as the work materializes. In the short-term, we can have our reduced

staff carry out all the work in a one-to-two-year period. Then as additional work increases and as the fees become more cost recoverable, that is when we will add more staff. Fire Marshal Marshall agreed with his interpretation.

Treasurer Lee stated there is no action from the board, but we will back in May for budget adoption. Board Member Goethals asked if there was any public comment on this item, which there were none.

Item 5.2 - Adopt a resolution approving the revised salary schedules to reflect the hourly, monthly, and annual ranges for merit classifications within the San Mateo Consolidated Fire Department.

Chief Iverson provided an overview to the Board. In January 2021, Board approved the revised compensation benefits salaries for the positions of Emergency Medical Clinical Educational Specialists, Emergency Services Manager, and Deputy Fire Chief. The staff report recommends the salary schedule to be revised and approved as updated. Board Member Goethals asked if there was any public comment on this item, which there were none.

Board Member Lieberman made a motion to adopt the resolution, which was seconded by Board Member Awasthi. The Acting Board Secretary took a roll call vote, and the resolution was approved 3-0.

Item 5.3 - Adopt the 2018 International Fire Code with the 2019 California Amendments and the 2021 International Wildland Urban Interface Code. Public Hearing – First Reading.

Fire Marshal Marshall provided an overview of ordinance (attached). Due to the increase in wildfire danger in the jurisdiction, primarily in San Mateo and Belmont, we have addressed the need to adopt an ordinance to be able to reduce our wildfire exposure. This ordinance was developed keeping in line with the state law by adopting the 2021 International Wildland Urban interface code. Additionally, this puts us in line with some of our neighbors. This does include retroactive enforcement on properties that are doing the renovations. The ordinance aligns with the sprinkler ordinance which states if you remodel more than 50% of your structure, you have to upgrade to the current safety standard with regard to sprinklers as well as upgrade with regard to the low cost retrofit list for wildfire protection. This list will be required for people to disclose on real estate transactions starting at the end of the year. This allows for a less intrusive way to increase the safety of our public as well as making sure that they are ready for the state law change.

Board Member Goethals asked if there was any public comment on this item, which there was one. Public Comment – Drew commented this his concern is about embers blowing in lower risk areas. He also referenced the retrofit list and asked if the threshold could be lowered from 50% to 30%, similar to the sprinkler ordinance. He would also like to have examples of how the ordinance impacts smaller single-family neighborhood lots. Fire Marshal Marshall responded that he is addressing larger high-risk hazards but will address smaller lots in lower risk areas, including lowering thresholds. Board Member Lieberman also stated that he’s contemplated the 50% threshold which is a good place to start this year, but would like to recommend that level change modifications be considered annually. Board Chair Goethals requested that thresholds be on a sliding scale for consideration for this and future ordinances.

Board Member Lieberman made a motion to adopt the ordinance, which was seconded by Board Member Awasthi. The Acting Board Secretary took a roll call vote and the ordinance was approved 3-0.

Item 5.4 - Adopt a resolution in support of staff’s application for grant funds via the SAFER (Staffing for Adequate Fire and Emergency Response (SAFER) for the purpose of funding twelve (12) firefighter positions.

Chief Iverson provided an overview of the grant with a PowerPoint presentation (attached). Board Chair Goethals stated he had addressed some concerns with the Chief for the overall expenditures. Based on

attrition and the overtime expenditures, it seems that we could see no increases and perhaps even a decrease in expenditures. Additionally, he would like this to be monitored very closely as the grant makes sense at this point based on those factors.

Board Member Goethals asked if there was any public comment on this item, which there was one. Public Comment – Drew asked what our usual hiring practice is and how 12 positions were determined? Additionally, he is supportive of keeping the staffing rather than laying off the positions. Chief Iverson stated we will see enough retirements which would make layoffs highly unlikely. SMC Fire continuously hires new firefighters and we currently have 4 recruits in a Fire Academy. Without the grant, we estimate 6 that need to be hired in the fall. By doubling the request to 12, it allows us to keep up with normal staffing, prepare for future retirements, and to have firefighters onboard earlier. Also, the grant will help us move closer toward meeting the recommended National Fire Protection Association (NFPA) 1710 standard by become 25%-30% compliant. Board Chair Goethals additionally stated that retirements are not always consistent, but we continuously monitor eligibilities.

Board Member Awasthi made a motion to adopt the resolution, which was seconded by Board Member Lieberman. The Acting Board Secretary took a roll call vote and the resolution was approved 3-0.

6. OLD BUSINESS

Item 6.1 - Adopt a resolution approving the San Mateo Consolidated Fire Department's Strategic Plan for 2021.

Chief Iverson provided an overview of the 2021 Strategic Plan which was introduced at the January board meeting. We have conducted updates feedback with Command Staff which now includes a Department Vision Statement. Board Member Goethals asked if there was any public comment on this item, which there were none.

Board Member Lieberman made a motion to adopt the resolution, which was seconded by Board Member Awasthi. The Acting Board Secretary took a roll call vote and the resolution was approved 3-0.

7. REPORTS & ANNOUNCEMENTS

Operations Update

Deputy Chief Thrasher provided an update on the Operations Division. Staffing for the Operations Division currently has no vacancies. With one firefighter reinstatement at the end of this month including the 4 recruits currently in the academy, we have hired for all known vacancies. From a call volume perspective, we saw a significant drop in 2020 primarily due to COVID 19, for 2021 we are trending to surpass our pre-COVID call volumes. A training facility at the Foster City Corp Yard is coming soon. It will complement our existing training tower and is being funded through a grant from Gilead. The Hazmat team continues training and continues to seek grant funding for equipment upgrades. New Station 25 nears completion and should be occupied before June. Lastly, we anticipate delivery of the 3 new Pierce fire engines by late winter. There were no questions from the Board.

Community Risk Reduction Update

Fire Marshal Marshall provided an update:

- The OES Division is working with the three cities on the local hazard mitigation plan update that will make us eligible for federal funding for disaster relief funding. We've met with Foster City and Belmont and plan to meet with San Mateo tomorrow.
- The evacuation software Zonehaven, continues to move forward. It is currently in a ready to state to use any time there is an evacuation that needed to occur. City staff as well as fire staff have all been trained and we will continue to train more people as we move on.

Fire Chief Update

Chief Iverson provided a brief update by acknowledging and thanking the organization during a challenging 2020. Last year we were awarded over \$1,000,000 in grants and with tonight's staff reports, we are on track for \$8.5 million potential grant funding over the next three years.

8. ADJOURNMENT

The Board Secretary reminded the participants that next meeting is scheduled for May 12th at 4:00pm and the meeting was adjourned at 5:09 pm.