



California Fire & Rescue Training Authority. Sacramento

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www.fireandrescuetraining.ca.gov

Governing Council

Fire Chief Brian Marshall
Deputy Chief Niko King
Fire Chief Todd Harms

California Governor's Office of Emergency Services
Sacramento Fire Department
Sacramento Metropolitan Fire District

*Asst. Chief Joe Gear
Executive Director*

CALIFORNIA FIRE AND RESCUE TRAINING AUTHORITY AT SACRAMENTO GOVERNING COUNCIL

December 14, 2021 at 10:30 AM

CALL TO ORDER

Council Chair, Fire Chief Brian Marshall called the meeting to order at 10:34 AM

PLEDGE TO THE FLAG

ROLL CALL

Roll call was taken, all present: Fire Chief Brian Marshall, Deputy Chief Niko King, Fire Chief Todd Harms. Staff: Executive Director Assistant Chief Joe Gear, Council Clerk Lana Nielsen, and an audience of 2 with 8 people attending via Zoom video conference.

PUBLIC COMMENT ON AGENDA/NON-AGENDA ITEMS

None

COUNCIL MEMBER ANNOUNCEMENTS

None

CONSENT AGENDA

1. Approval of Action Summary:
November 18, 2021

Council Action: Harms/King: Move to approve consent agenda
(Ayes: King, Harms)
Motion Passed

EXECUTIVE DIRECTOR REPORT (Gear)

The Executive Director has selected a vendor for the digitizing and shredding of all records. No contract has been put into place, waiting on quote from vendor.

The Executive Director and Staff are working on the inventory of assets, furniture, electronics, vehicles, office equipment, and storage containers. We need to find a way to dispose of the Conex boxes if the member agencies do not want them.

Severance details and acceptance documents have been sent via e-mail and US Mail to all full-time employees.

Council Action: Harms/King: Move to accept and file Executive Director Report
(Ayes: King, Harms)
Motion Passed

DISSOLUTION OF AUTHORITY (Gear)

Osman Mufti: On December 13, 2021 Dylan Volkman submitted an initial list of inventory items, stating he still needed to complete inventory on three Connex boxes, work truck, vehicles, and trailers. I will review the lists and share with the board and member agency's counsel.

There was some concern at the last meeting with rolling out the closure and dissolution of the entity. To address those concerns, we've prepared a dissolution agreement between the member agencies that serves as a road map to closing the JPA. A draft of the dissolution agreement has been sent out to all your member agency counsels directly for review and comment. The hope is to provide an update, if not the final agreement at the January meeting. Keep in mind that final agreement is not approved here, it is approved with each of your respective boards since it is coming from the member agencies and is not a JPA agreement.

A summary of what the draft agreement does:

1. Authorizes the closing of the entity as of June 30, 2022
2. Appointing a dissolving member, essentially that dissolving member has several responsibilities after June 30th on behalf the JPA. Such as payment of bills that come in after June 30th (professional services, such as the final audit). Additionally, custodian of record, will have and maintain records. Draft has suggested that Cal OES be the dissolving member, subject to agreement amongst the parties. When all JPA business is completed, the dissolving agency would notify all other members via letter that the entity is now dissolved as of this date.
3. The agreement discusses the distribution of remaining assets, the inventory list that is being produced will be an exhibit to the agreement. It will identify which member agencies are taking those assets.
4. Additionally, it discusses if there are not enough funds to pay final bills, additional member agencies contributions may be necessary. If there are surplus funds it will discuss the distribution of those funds based on the JPA agreement.
5. Agreement has commitment by the parties to do any actions that may be necessary to formally dissolve the entity.

Council member comments:

Chief Harms: After looking at items at Zinfandel, I am less concerned about trying to find the dollar amount and making it an equal distribution, rather have distribution of items such as Metro gets certain training equipment and City gets training equipment and that type of distribution is fine with me. The important thing is that the agreement discusses the final payment of bills and getting the agency closed.

Chief King: For the record, I agree with Chief Harms. I looked at the equipment and a lot of the items are set up by trainings and that is more important than an equal value for distribution. Finding the value of the items will be way to cumbersome, considering the number of items that are out there.

Chief Marshall: There is a chunk of MOBEX funds that will be left at the end of June 30, 2022. That money was specific for MOBEX so those funds would be returned to Cal OES so we can continue with those exercises, and is not part of the operating expenses, correct?

Osman Mufti, legal counsel: We've asked for statutory authority on those funds from legal counsel, and from the JPA side we have no documentation showing any restrictions on those funds. Historically it has always been intended for MOBEX but from an agency perspective that is dissolving there is no statutory prohibition or agreement that indicates otherwise, and our position is that it is JPA money. If there are final bills it can be used for those costs and if there were not it would go back to Cal OES for MOBEX. We have not seen any documentation that states if those funds are not used for MOBEX it must go back to Cal OES. That specific topic is open for discussion but from what we are seeing those are JPA funds.

Nicole Paskey: We don't have anything stating its specifically earmarked for exercises, but my perspective was that it was for US&R. My only concern is that it has been communicated to the task forces that the funds would be there for them after the dissolution of the JPA. They are currently budgeting those funds in their exercises and if the funds won't be there or it's a different amount, we just need to communicate that with the task forces. All prior communication has been that those funds would be there for them.

Chief Marshall: The continuation of the MOBEX into the future is counting on that US&R money to be available. According to the agreement the MOBEX money would be returned to Cal OES and the remaining funds would be split 30/30/40.

Osman Mufti, legal counsel: Yes, that can be set up amongst the agencies in the agreement.

Meg Wilson, OES legal counsel: Wasn't the MOBEX money always kept separate in the budget. Earmarked in separate accounts for the exercises?

Lana Nielsen: Yes, funds have been kept separate in accounts but there is nothing in writing that we have been able to find that states it must be done that way, historically that's just the way the agency has done it. Currently the funds are in separate accounts. We have never been provided or found any written documentation stating how those funds had to be distributed.

Stephanie Ogren, OES Legal counsel: We have had some discussion about the lack of legislation or documentation that would prohibit it from being used for other purposes. We're talking about two different things, what the money can be spent on and how it should be treated with the dissolution. Those funds are not a general member contribution, as part of the funding split, those funds are over and above what Cal OES contributes as part of its agreed upon contributions.

Osman Mufti, legal counsel: Yes, to that point, if agency funds at the end are in need, and these funds exist the agency could potentially use it to wind down the JPA. If there is a remainder of those funds, that would go back to Cal OES. At this point we see them as agency funds as there is no documentation or statutorily strings attached to that money.

Chief Marshall: The draft agreement mentions funding a reserve account. We have assets that could be sold to fund that reserve account. Is that a correct statement?

Osman Mufti, legal counsel: Yes, as Chief Gear mentioned we have the Conex boxes and there may be other assets that have value that could be sold and that revenue could be put into that reserve fund, if that's something that is desired.

Chief Marshall: There is the option of selling assets to have the money to fund the reserve account. I think by the January meeting we need to know how we can potentially sell assets to have funding available. With reserve funds would there be a time frame or standard language that states after a certain point the reserve funds could be distributed to the member agencies. Some language around the reserve funds needs to be added to the agreement and how we will be accountable for the funds we have in that account, such as notifying the agencies of what was paid. We would just want something in writing for a process.

Osman Mufti, legal counsel: We could put a term limit in the agreement and if the time frame needed to be extended, we could do an amendment to the agreement to extend that time frame.

Chief Harms: Just on your comment on additional funding because the agreement would go back to my board, with our funding where we are at it would be difficult to have additional funding, especially if there is not a legal side stating where that money must go and there is money in the account that is here for dissolution of it. I doubt my board would sign off and say we will put additional money back into the JPA. That would be a very difficult thing on my side of going to the board and say that additional funding is needed when there is funding in the account and there is no legal side stating where that money must go. I am in support of selling additional assets before we do anything else.

Chief King: I know our original statements; Chief Harms was to see what the different agencies needed but it is probably in our best interest to get that inventory and assign it some sort of assessment of value so that we are tracking it. If we do sell property that the member agencies don't want, we should put a time frame on selling those items.

Osman Mufti, legal counsel: We would also want to do an assessment as well as to what inventory will be used through April 30, 2022 before we sell it.

Chief Marshall: We're coming up on six months and I believe in our January meeting all of it put forth, the classes that would be held. The council needs to be making decisions on liquidating assets should the need be.

Osman Mufti, legal counsel: I am happy to move this forward and hopefully make progress toward January. I can guide and assist with getting this information to the member agencies but ultimately the agreement is amongst the member agencies and their boards making these decisions. The final decision lies with each member agency and your counsel, based on their advice.

Chief Marshall: Moving forward with finances, do we have projections of expenditures from January 1st through June 30th, so this council can make some decisions: how we are tracking with estimates in payroll, overtime, class revenue, utilities, and extended payments. That needs to be put forth so this council can make this decision. I would turn to Lana on projections.

Lana Nielsen: I can get projections completed and you will also get the six-month finance report to show you exactly where we are at financially at mid-year. I can project out expenses and have been working with vendors to get those final costs, as well as cancelling any service contracts that we are no longer using.

Council Action: Harms/King: Move to receive Dissolution of Authority report
(Ayes: King, Harms)
Motion Passed

RECESS TO CLOSED SESSION at 11:19 AM

CLOSED SESSION GOVERNMENT CODES:

Closed session pursuant to Government Code § 54957.6 – Conference with Labor Negotiator

Agency Designated Representatives: Authority Chair, Executive Director, and Authority General Counsel Sloan Sakai Yeung & Wong LLP

Unrepresented Employees: Administrative Officers for Finance, US&R Training, and Fire Training, Logistician/Operations Support, and Financial Secretary

CLOSED SESSION REPORT

No reportable action

GOVERNING COUNCIL QUESTIONS AND COMMENTS

ADJOURNMENT at 11:38 AM

NEXT MEETING(S) - Location: California Fire & Rescue Training Authority
3121 Gold Canal Drive, Rancho Cordova, CA 95670

January 19, 2022 at 10:00 AM

February 17, 2022 at 10:00 AM

March 16, 2022 at 10:00 AM

Posted on December 10, 2021, by:



Lana Nielsen, Council Clerk