



California Fire & Rescue Training Authority. Sacramento

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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

January 19, 2022 at 10:00 AM

CALL TO ORDER

Council Chair, Fire Chief Brian Marshall called the meeting to order at 10:01 AM

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 12 attending via Zoom video conference.

PUBLIC COMMENT ON AGENDA/NON-AGENDA ITEMS

None

COUNCIL MEMBER ANNOUNCEMENTS

None

CONSENT AGENDA

1. Approval of Action Summary:
December 14, 2021

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

EXECUTIVE DIRECTOR REPORT/DISPOSITION OF BOEING 727 (Gear)

Schnitzer Steel has been selected to cut apart and haul away the Boeing 727. There will be no charge for this based on the value of the metal in the aircraft. Schnitzer Steel is requiring a written statement that all petroleum products have been removed from the plane. Will contact Aerospace Museum to come by and conduct a fluid check. I will work with legal counsel to get the language drawn up for the agreement.

Council comments:

Is this a package deal, where they will take the entire aircraft? Yes, they will take the entire aircraft and recycle all materials, such as tires, seats, glass, etc.

Any time frame for executing the contract and their time frame for removal? Schnitzer Steel must work with their subcontractor that manages all the metal cutting but he knows time is of the essence. I will meet with Schnitzer to work out the time frame.

Chief Marshall highly recommends that the agreement has a stipulation that the aircraft be removed no later than April 30, 2022.

Council Action: Harms/King: Move to file Executive Director report and authorize Chief Gear to complete negotiations and enter into a disposal agreement with Schnitzer Steel to remove the Boeing 727.
(Ayes: King, Harms, Marshall)
Motion Passed

FIRE TRAINING REPORT (Gear)

The CFRTA Fire Training program contributed funds to administrative expenses and exceeded projected revenue (pending incoming invoices) in Quarter 1 and Quarter 2 of FY 21/22. So far, CFRTA has successfully hosted 21 courses and delivered training to over 400 students.

The Sacramento Regional Basic Firefighter I Academy cadets graduated on December 17th, 2021. Out of approximately 40 initial cadets, 26 are now certified as a Firefighter I through the California Office of the State Fire Marshal.

CFRTA has received a significant amount of positive feedback in its course surveys regarding course content, instruction, and the administrative staff over the course of FY 21/22.

The logistics specialist position is now vacant, and this causes additional work to prepare for training courses. We have some technical heavy courses coming up that instructors are assisting staff to prepare equipment for use during those courses. It was a struggle to get the engine company that was necessary for a current Fire Investigation course so I would like to ask for more support from the member agencies with our trainings.

Council comments:

Chief Harms: I was not aware what the need was for a training. If there is a need that you have for a training course you can call or email me directly and let me know what it is, you need. We have committed to running these upcoming courses so if you know you have something coming up let us know so it can be put into the planning process.

Chief King: We have a robust training division currently; we made a commitment to see training through April 30th and the classes are important to all of us. I'm asking you to reach out and let us know what the needs are, and I can assign people to the upcoming classes to assist you.

Council Action: Harms/King: Move to accept and file the Fire Training report
(Ayes: King, Harms, Marshall)
Motion Passed

US&R TRAINING REPORT (Gear)

With FEMA not approving Sponsored and Sanctioned Training currently, CFRTA has been able to fill training needs by funding and facilitating Equivalency FEMA US&R Training in coordination with the California FEMA US&R Task Forces. With the dissolution of CFRTA in process, the Task Forces are aware that we have an all stop training support date of April 30, 2022. The Task Forces have worked to reschedule courses and exercises to fall within the given deadline.

Also, the Task Forces have asked for some future contract timeline and verbiage that way they can prepare for their end to continue the exercising planning process. The contract process on the JPA side is quick but I am not aware of the CSTI or Cal OES timelines for contracts. Some task forces take longer than others to execute their contracts so being aware of that so that they can plan their exercises and their contracts can be executed in time for those scheduled exercises.

Council comments:

Chief Harms: The program on the Federal side has shut down all programs due to COVID, have they given any thoughts on how long it will be shut down for?

No, it sounded like it was going to open back up for sanctioned classes but the with the holiday and the second surge hit, I have not heard of an update. I can ask but they have not given a timeline. It's all attached to liability and workers compensation, so they are still approving classes but not their full FEMA funded sponsored courses at this time.

Chief Marshall: I too have a little bit of angst about the US&R Mobex drills going off, FEMA's been on lockdown for a long time, and I don't see them freeing that up as we get into the drop-dead date to execute a contract and do the drill and then do reimbursements.

Nicole Paskey: On the Mobex exercises FEMA is not involved, they don't have money or contracts involved, we submit an application for awareness but it's really like submitting for equivalency not sanctioned or sponsored. If we were asking to facilitate an exercise that they were paying for then that would be denied at this time, but they do not have authority or approval of these exercises at this time.

Chief Marshall: Correct me if I'm wrong, doesn't FEMA fund a portion of the MOBEX drills or is it all on the OES Mobex money?

Nicole Paskey: It is not all on the OES Mobex money but it's up to the Task Force's partnering agencies and/or coop money can be used. It all depends on each agencies budget and timeline, which is why I asked about the timeline. Historically the task forces will look at their 1-, 2-, or 5-year budget plan and in there they will set aside some of their money, while knowing how much OES is going to contribute. This is why I pressed at the last meeting about the state funding still being available to the teams, since they were told it would be available and if that was going to be different then we needed to notify them

immediately, since they budget long term and have included that money in their budgets.

Council Action: Harms/King: Move to accept and file the US&R Training report
(Ayes: King, Harms, Marshall)
Motion Passed

MID-YEAR BUDGET STATUS REPORT (Gear)

We are currently at 85% of anticipated revenue and at 48% of expenses for this fiscal year. The report is as of the end of December, so we are on track for our expenses at midyear. The second page of the report shows a breakdown of funds at Sacramento County, and the table below that shows the breakdown of the cash balance between US&R, Mobex and JPA funds. (Report attached)

Chief Marshall, before we go to questions, I am going to take executive privilege and move on to the next item, the financial projections report. I don't feel that we can review the midyear budget status report without looking at the projections. Then we will take 2 separate motions for these items.

Council Action: Harms/King: Move to accept and file Mid-Year Budget Status report
(Ayes: King, Harms, Marshall)
Motion Passed

FINANCIAL PROJECTIONS REPORT (Gear)

The midyear projection report is set up like the initial projection report that I wrote at the beginning of the fiscal year.

For the revenue portion, under the contracted courses this amount is what is remaining in the contracts that could potentially be reimbursed to us. That revenue is generated based on how each agency runs their programs so it's only potential revenue. Both Sac Metro and Sac City have reached out to set up potential short-term contracts for academy staff but at this time there are no budgets established to be able to review the potential revenue from those contracts.

The gross revenue that is coming from Fire Training course scheduled in January and February 2022, 71% of that revenue has already been collected as of December 31, 2021. I want to clarify that the funds you see in the report for those two months is not the amount that will actually be coming, the majority of it has been collected and expended at this time.

For the US&R trainings these courses remained the same as initially shown at the beginning of the fiscal year. With the delays from FEMA related to COVID, while I listed potential revenue from FEMA contract courses, I did not include that revenue in the final numbers of the projections. I did not want to give a false sense of security that we would have more funds at the end of the year than we might have available, since there is potential that those courses will not happen.

Currently we are at just under \$12,000 projected at the end of June. There is potential for some additional revenue to come into the agency, but I stated previously I did not include those in the projections as I am not comfortable making those assumptions for our final numbers. If things stay on track, we should have some remaining funds. My concerns are if we see anything similar to what we saw in January where departments canceled all their registrations due to Covid and we have to cancel classes then our projections take on a very different picture. I spoke to legal counsel about this and in order to keep you all better informed I will be providing a monthly update on our financial status. This should keep any surprises from coming up at the end of the fiscal year.

I am trying to cut costs wherever I can at this time as well. I've been working with vendors to get prorated costs, closing accounts that aren't being used, and gathering any extra fees to cancel contracts, all which have been built into the expense in my projection report. Unless something out of the ordinary happens, we should not have any unforeseen expenses to date that I am aware of, everything has been covered in my report.

Council comments:

Chief Harms: Thank you for going into the detail on this report, it was helpful to be able to see line by line each item in the report. A monthly report moving forward will be perfect. You listed all the courses both in US&R and Fire Training in this report, even if they potentially won't be conducted, correct?

Lana Nielsen: No, the fire training courses have been included in the projected revenue, but the US&R courses are just listed out based on what the initial schedule that I received from Nicole showed. The US&R funds are not listed in the projected revenue, but they do still have the potential to bring in additional revenue if they do get scheduled. The administration portion of the report assumes that all staff will stay until June, no one takes vacation, it's the maximum amount of what the expenses could be with personnel costs.

Chief Marshall: If everything goes according to plan, we will have \$11,000 in the bank at the end of June. The wild card in all of this is canceling classes which would be a reduction in revenue. Is there any idea of what the loss of revenue might be if a class is cancelled?

Lana Nielsen: In this report I didn't have a better grasp on the potential revenue for the March and April courses since there wasn't enough enrollment to give me an idea of what that would look like. The presumption is it will be like the revenue generated in January and February, so about \$25,000. With that in mind, we could potentially lose between \$10-20,000 in revenue with cancelled course, it just depends on the courses. Like Barbara mentioned early, our classes are full and doing well, so it wouldn't be a cancellation on our side, as much as departments canceling enrollment due to Covid. I believe we are safe, even with cancelled course there would less expenses going out, such as course materials, or staff not in the office so utilities would be reduced. I think it could potentially balance out and we should be ok.

Also, to make you aware any expenses that would be paid after the June deadline are included, such as legal and auditor costs, there shouldn't be any administrative costs that aren't captured in this report.

Council Action: Harms/King: Move to accept and file Financial Projections report
(Ayes: King, Harms, Marshall)
Motion Passed

CFRTA DISSOLUTION AGREEMENT (Gear)

Chief Marshall: Directed to the attorneys, how did an unfinished agreement that is still in negotiations between the three parties end up in a public record, shouldn't this have been a closed session item?

Legal counsel: The objective was to give council an update on the status and our understanding from discussion was that there would have to be some sort of council consensus, because respectively your member agencies are going to be the signing parties so they would be looking to you as your compacity as council members that our board members are in agreement. It is not in a position right not to be approved because there are some outstanding issues, so the purpose today is to discuss some of those issues.

Specifically, about draft documents being a public document to be handled in closed session, at this time there is no appropriate way to discuss this in closed session. Public records are anything that goes among the member agencies that they are negotiating not on behalf of the JPA but they're negotiating on behalf of the member agencies, so it's not an internal JPA document. A contract negotiation can be confidential for public agencies while you are negotiating with a third party but as soon as the contract is final it becomes a public document, a bid document. This isn't a bid situation that allows to keep the documents confidential. For public agencies you can't go to closed session to negotiate an agreement, you can go to closed session if there is litigation or if there is a threat of litigation and you are trying to settle that. The agreement before us is not a settlement agreement it's a wind down and that's a proper discussion for an open session discussion.

CFRTA Dissolution agreement discussion:

Further discussion is needed around the issue of Mobex funds in the agreement. The draft document has a couple positions being taken on the distribution of those funds so more discussion is needed around this issue, and it would be good if we can come to a consensus. For the distribution of Mobex funds, in general we understand the funds should go back to OES, however if the financials don't end up as suggested, from an unforeseen expense and the agreement states the funds go back to OES and we end up in the red, we have to figure out where those funds are going to come from. The next logical thing is they're going to come from the member agencies as an additional contribution to get everything to zero. That's the substance of the issue before you. We don't expect to have to do this based on the projections but part of our job is to prepare for the unexpected.

Meg Wilson: I've been part of these discussions and I noticed the last sentence in paragraph 8 is new language. I wanted to make clear that Mobex money is not general fund money and that's the way this provision is sort of written. This is specifically Cal OES money that is above and beyond the contribution that we give to the JPA and is specific to Mobex trainings, which I understand right now aren't taking place due to Covid. This isn't money that can be funneled into the general fund, this is Mobex money for these mobilization exercises, that hopefully post Covid these trainings would have to be taking place and that funding would be needed. So, it is not JPA general fund money. The way that it is written here, it says once all Authority debts, liabilities and obligations are done then that money goes back to Cal OES. But Cal OES has to run those Mobex trainings, and as we discussed, Mobex there is a statutory purpose for that funding and it's for that Mobex trainings, it's not to cover the liabilities and other debts of the JPA. Based on the attorney call I thought that we were in agreement on that and I know there was some discussion about potentially removing some of the Mobex money to cover admin costs but I feel like this was new language that we hadn't discussed.

Chief Marshall: Thank you Meg, just to keep everything on track, I'll go back to the Osman, the JPA attorneys, do you have any further comment?

In terms, of the budget that was approved to use US&R funds for a portion of salaries was indicated in the report as well. That is theme from our discussion in a previous meeting that US&R and Mobex funds have been policy-based decisions by the JPA to keep them separate and the administrative costs associated with running those trainings have not separately been charged to those funds. That's a fine policy decision but as the attorneys for the JPA we have not been presented with any limited grant agreements or statutory language as the use of those funds and a proper purpose of the US&R and Mobex funds would have been to cover the administrative costs associated with running those trainings. For this year it would be appropriate for some of those administrative costs associated with the programs to be charged to those funding sources. While we are not running Mobex trainings due to covid, there are still administrative costs for preparing for the possibility of running those trainings. So just a little bit of background on our position legally that we have not been presented with any restrictions on the Mobex funding so it's appropriate and legal for admin costs to be charged to the Mobex funds. Our recommendation is, if there are shortfalls that those admin costs for the Mobex programs can be charged appropriately and legally to the Mobex funds.

Meg Wilson: That is not what this language states, this language is much broader than that.

DeeAnn Gillick: I apologize on that for any confusion, it was my understanding that this language was circulated to the attorney group and the response to that were the comments that were inserted. This was the JPA attorneys' proposed language and the responses from the two agency attorneys' comments on it, so it's a presentation of what was presented and what was discussed.

Meg Wilson: I understand this was the original language and we all had a discussion

where we agreed and the attorneys were made aware of what this Mobex money was and we sent the proposal about the legislature, and I still owe you the budget act. My understanding was that we all understood that this money was not part of the general fund and was above and beyond, that would go back to Cal OES, we were negotiating. So going back to this old language is not appropriate, because we at least agree that money does need to be returned to OES its just whether we are charging those admin costs.

DeeAnn Gillick: As we said, there needs to be a discussion and some of these issues need to be resolved and a decision by the council in the event there is funding shortages and that appropriate charges can be made to Mobex or not.

Chief Marshall: This is part of the bigger discussion and in order to do this, according to the way we should, is there any more presentation by the counsel or Chief Gear on this, before we go to the public. DeeAnn Gillick: There are no more comments at this time.

Council comments:

Chief Harms: I think down to number 8, distribution of surplus funds is our last item, that my counsel has been working with the other attorneys, and my desire is that they continue to work together and figure out number 8 and then we move forward from there.

Chief Marshall: Obviously this has some more work to do and it's nowhere near completed, and I think the direction from the council, Chief Harms, Chief King, and myself that this gets worked out and as the OES position is that Mobex money is the Mobex money, and that program will continue past the dissolution of the JPA. I think it's unfair to the US&R teams are being punished because of Covid and unable to do their drills, exercises, and training and then we are using that money to balance a budget when most of this money would have already been spent down if those trainings had occurred. If you recall in a previous meeting, I discussed selling our assets if we needed to and I think if there is concern that we are going to be in the red, we need to be doing everything possible to get to the black. In a perfect world this Mobex money wouldn't have been available and in one of our previous meetings, I asked Chief Gear what's the plan, and it's not to use the Mobex money to bail us out. We should have a plan; I personally don't want to have to go back to my boss to ask for money to cover this. I think everything should have been decided by now and it appears it hasn't been, and we are paying the attorneys to work on this. Chief Gear, we need a plan, if we are on this ragged edge of being in the red, what is the plan for this dissolution agreement to get done and have the finance available to get those final bills paid, so the three agencies aren't left holding the bag. Again, OES's position has been made very clear, Mobex money is strictly that and it is not going to be used to subsidize the JPA. I think the member agency attorneys need to get together and get this figured out as soon as possible and get it signed but it has to be agreeable by all the parties. This needs to be a priority for the attorneys to get this worked out.

Chief Harms: I think that we are at a good place for where we are as far as closing it out. Financially I think we are in a good place, there may be a minimal amount of money that needs to be paid out at the end of this. I believe we have a very good plan in place for moving forward. As you spoke on it, as a member agency and a board that I report to we have to be able to make sure that everything that is moved forward is documented

appropriately and that the legal side of it with our attorney are in place. One of the issues that has been standing out there is about the documentation about the Mobex and the US&R money. Again, I don't feel that we are in a bad place, we're in a place where we are moving forward. I believe there was some good language that was put forward to be able to cover those final expenses. I do think that as a legal side for my board that each thing is looked at and is appropriately documented and that we move forward. I think the attorneys have done a really good job at putting together everything but this last thing. I don't have any anxiety of us getting to the end of this thing and not being able to move forward. As for the financial side of it I think it may be close but feel we are in a good spot. We just need to be able to close number 8 and I think there is an opportunity to do that with the language that is there and move forward.

Chief King: I agree, we are going to get through this. You know being an agency that hosts a US&R team we fully understand the benefits and appreciate the states contributions to allow the Mobex to occur. We understand why the money is there and why it goes through the JPA to be managed. Emphasis at the end we just need to figure this detail so that the three agencies at the end aren't in the red and having to try to figure out how to come up with the funds. For clarity, when we are planning for US&R exercises and Mobex, are we using some of those funds for the administrative costs for some of the work that Nicole is doing to get the teams together or is that just JPA money supporting it and the Mobex funds are specifically walled of for the team?

Nicole Paskey: The Mobex funding, for each team Mobex is \$130,000 the contract that goes directly to the team is for \$100,000 with up to \$25,000 being spent on planning and prep. That \$30,000 is kept at the JPA for administration, planning meetings and evaluators for the exercises as determined by the working budget with the teams. No other hard costs are covered with those funds, it's all directly tied to the exercises, and we try to budget precisely enough to use all the funds for that exercise happening.

Chief Marshall: Is the payroll segregated out by each task, my question to Chief Gear would be if Nicole works for an 8-hour day on a drill does that 8-hour day get segregated out on a time sheet, so we can even figure out what that amount is?

Chief Gear: No, that money is not segregated out, we just pay her out of the JPA funding. 100% of my pay is not taken out either, it is paid directly by OES.

Chief King: No more comments, I think that clarity helped quite a bit. We will probably assist in creating language specific enough moving forward, there might need to be a different type of accounting and budgeting going forward to make sure that there are segregated costs.

DeeAnn Gillick: Chief Marshall, I thank everyone for the discussion, again our intent was to put the issue before us and make everyone aware and share what our discussions have been among the agency attorneys and be transparent to share that and recognizing that we have to go back and work out some of the details. I appreciate the discussion and I think its helpful in getting to the next step and framing some options to come to some language for the dissolution agreement. I would like to raise the issue, which we hadn't discussed yet, on the lease agreement with Sac Metro, on paragraph 6 you see the amended language. Sac Metro brought up that there is a long-term lease agreement

for the Zinfandel site of 55 years. There is a provision in the lease agreement that it can be terminated with a six-month notice, in addition it states that if the JPA goes away the lease agreement is terminated without any further financial obligations on behalf of the JPA. This was a discussion among the attorneys, I just wanted to raise it and add that it seems reasonable that Sac Metro is aware that given their action to dissolve initially that the lease would be terminated without any financial obligations. Technically, Sac Metro has not been provided any written notice to terminate that lease, however I believe everyone is aware of that. We can certainly provide written notice to Sac Metro to confirm that that is taken care of, and we will have follow up discussions with the attorneys.

Chief Marshall: Is it safe to say that we have not given Sac Metro notice of termination of the lease for the building the JPA is currently in?

Attorneys: The current lease is for one year and set to expire at the end of the fiscal year, my understanding is we are in a month-to-month lease. So there hasn't been anything formally in writing, but Sac Metro is aware of the situation but technically there has not been an official notice has not been provided.

Chief Marshall: The council should give direction to all agency attorneys and JPA attorneys to work on the dissolution agreement and bring back a completed document so we can get that signed. As part of this, that formal notification be provided to Sac Metro on the termination of the leases, just so we above board on that and Sac Metro is given formal notification.

Council Action: No action taken at this time, discussion item only.

DISSOLUTION OF AUTHORITY (Gear)

We are moving forward on our end; our employees are looking for other jobs and one has left us already. We are starting to get inquiries from smaller agencies regarding equipment, for instance Cosumnes Fire is interested in purchasing our dump trailer and then providing use of it to Herald Fire who does not have the ability to haul away rubble from burns after they are completed. Other departments have also contacted us about equipment, what we haven't seen is much interest in the connex boxes we have at Zinfandel. CCIC is interested in taking back their furniture that they had given to the JPA, other furniture can be sold except for the furniture from OES. Now that we have a date established, I think we can start getting the word out that this furniture is available. At this point the clock is beginning to tick and we will get a little more aggressive with disposing of these items, although some items like phones and office furniture will have to be with us until the very end. Discussion should be among the board members or member agency chief officers assigned to the JPA, to be serve on the behalf of their agencies as we start to divide things up to determine who gets what of the remaining furniture and business items.

Council Comments:

Chief King: Looking at the inventory list, we are definitely interested in working with the other agencies. We've discussed this before and I will emphasis this again, in the end we would rather see caches of equipment used for specific classes or teaching remain intact so that they are useful. We will get someone assigned for these conversations. We want

to keep in the front of our mind to keep us out of the red, do we need to sell some of these assets.

Chief Harms: Jon Rudnicki is your contact at Metro Fire, he is the AC of training, please send the inventory list to him. Like Chief King said we should keep stuff together if we can but if we need to sell things, then sell them.

Council Action: No action taken at this time, discussion item only.

RECESS TO CLOSED SESSION

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

Chief Harms: Keep up the good work

ADJOURNMENT at 11:53 PM

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

February 17, 2022 at 10:00 AM

March 16, 2022 at 11:00 AM

Posted on January 14, 2022 by:



Lana Nielsen, Council Clerk