
**BIG BEAR FIRE AUTHORITY
MINUTES FOR THE MEETING OF
August 16, 2017**

A Special Meeting of the Big Bear Fire Authority was called to order by Chairman Putz at 4:32 p.m., Wednesday, August 16, 2017, at 39707 Big Bear Boulevard, Big Bear Lake, CA, and by tele-conference at 45981 Highway 74, Palm Desert, CA, 92260.

Moment of Silence: Observed

Pledge of Allegiance: Led by Chairman Putz

Board Members Present: Chairman Randall Putz
Vice Chairman John Green
Director David Caretto
Director Rick Herrick
Director Bob Jackowski
Director Bill Jahn
Director Karyn Oxandaboure
Director John Russo
Director Larry Walsh

Board Members Excused: Director Al Ziegler

Staff Present: Jeff Willis, Fire Chief
Mike Maltby, Assistant Chief/Fire Marshal
Shirley Holt, Senior Finance Officer
Dawn Marschinke, Fire Board Secretary

Other BBFA Personnel Present: Ryan Harold, Battalion Chief
Chuck Robillard, Captain
Mitch Hollenbaugh, Engineer
Robert Whitmore, Engineer
Duane Dickerson, IT Coordinator

Other Outside Agencies Present: Mary Reeves, General Manager, Big Bear City Community Services District

PUBLIC COMMUNICATIONS

None.

DISCUSSION/ACTION ITEMS

FA1. 2017-18 Budgeted Change in Fund Balance

Discussion of change in Fund Balance for Board review and receive and file.

Chief Willis explained the reason for the presentation was to ensure all Board members understand the 2017-18 budgeted change in Fund Balance. Senior Finance Officer Holt explained the change in Fund Balance. As the Board prepares to consider the final purchase agreement for the land acquisition, the change in Fund Balance report is being presented again to refresh the Board on the projected Fund Balance ending June 30, 2018, per the approved budget.

Discussion ensued.

Ms. Holt stated the Fund Balance is cash and that the Fund Balance is the same thing as Reserves. The bottom line number includes all funds, with slightly less than \$30,000 of that being restricted funds for payroll liabilities at the end of 2016.

Director Caretto stated that Ms. Holt spent three meetings with him to explain the document presented. Until now, he did not have a clear understanding of how Ms. Holt does budgets. He believes that the information provided is clear and transparent, and an accurate representation of the Fund Balance. This is contrary to his statement made at the August 1, 2017, Board meeting. Director Caretto apologized to Ms. Holt for the comments he made at that Board meeting and asked for today's comments be written into the record.

Director Caretto continued, stating that the Board and staff still need to look at deficit spending. Spending over a million dollars of Fund Balance is not sustainable. Board and staff also need to address an alternate revenue source. Any revenue enhancement needs to be fair to both sides of the Valley, its residents, address large structures, and involve visitors.

Receive and file.

FA2. Purchase of Maple Lane Property with Option to Purchase Second Parcel

Consideration and possible action to: (1) Approve entering into a purchase and sale agreement with Gold Mountain Memorial Park for the purchase of certain real property described as APN # 0312-311-16; (2) Approve entering into an

option agreement with Gold Mountain Memorial Park for an option to purchase certain real property described as APN # 0312-311-17; and (3) authorize staff and legal counsel to take any actions necessary to complete the transactions which are consistent with the purchase and sale agreement and the option agreement.

Chief Willis started discussion by explaining that the Board authorized him to pursue the potential purchase of the Maple Lane property, within certain parameters, as a possible future building site for the Sugarloaf station. A deal for \$45,000 per acre for a total purchase price of \$225,000 for a 5-acre parcel was agreed upon. The agreement also includes an option to purchase an adjoining 5-acre parcel for a \$10,000 deposit per year for maximum of two years. The deposit would apply to the purchase price if the option is exercised. He elaborated further that the purchase option is also a statement of community responsibility. The land that the station presently sits on is owned by the Parks and Recreation District. The park land that is situated next to the Sugarloaf station is sub-standard, and is already not large enough for park requirements. Therefore, the Fire Department should not expect to acquire more land from the adjoining park for future build-out of the existing station. Due to changes in the economy, Chief Willis believes this parcel may not be available in the future. Acquisition of this land provides the opportunity for future planning.

The consultant for the Fire Protection Master Plan indicated the need to develop the Moonridge Station as a higher priority than the Sugarloaf Station and Chief Willis agrees with that recommendation. However, as opposed to the one-time Fund Balance expenditure for the Maple Lane property, the Moonridge situation cannot be addressed until the Department can acquire additional regular, reoccurring revenue for staffing.

Chief Willis is asking the Board to move forward with the purchase. There will be no further request from the Chief to build on the property until regular, reoccurring revenue has been determined. At that time, his recommendation will be to move forward on tackling the need for a staffed Moonridge Station.

Chief Willis also provided the Board with expenditures already incurred through the purchase negotiation process. This includes \$3,000 for an appraisal and \$1,000 in legal fees. There is no expectation that total costs should exceed the Board authorized \$250,000 total purchase price.

Discussion ensued:

Chief Willis stated that the property is zoned Institutional (IN) which is its highest and best use; this includes "Educational." County staff indicated that changing zoning to "Essential Services Facility" should not be a problem.

The logic of spending money on the Purchase Option for a property the Department may never purchase or build on was examined. This Purchase Option puts emphasis on San Bernardino County to declare their intent, and potentially for them to pick up the Option in the second year. This provides an opportunity to master plan for the whole area. Emphasizing the importance of a master plan for the area shows we are exercising community responsibility. Chief Willis has spoken with Reese Troublefield at the Park and Recreation District and he has expressed a strong interest in the land. Director Green has spoken with Parks and Recreation District Director Jeff Rigney, who also has expressed interest. This transaction may help move interest into action.

Director Caretto expressed that the highest priority for Station development is Moonridge, as indicated by the Matrix consultant and by Chief Willis. Director Caretto further commented that he has some trouble spending fund balance money towards property that will not be built on for years and in a community already being served, ahead of the need for a Moonridge station.

Director Ziegler and Director Caretto both serve on the Park and Recreation District Advisory Committee. They previously had a lengthy discussion regarding the issue of how to spend \$360,000 in proceeds from the sale of a park in Big Bear City. There has been some discussion about expanding into Big Bear City. Mr. Troublefield would like to expand the park in Sugarloaf. It was stated that if the Park and Recreation District ends up without money to purchase the property in Sugarloaf, the Department could end up with land the Park and Recreation District does not want or cannot afford. It was also pointed out that the buildout of a new station would not require the full five acres of the original purchase, and does not need the additional five acres of the Purchase Option. A trade with Big Bear City Community Services District (CSD) for land in Erwin Lake was addressed, but the property is not large enough for the 2.5 acres required for a station.

The current Moonridge property is on .5 acres and is not large enough to build a full facility. It may also conflict with the Rathbun/Moonridge Creek Master Plan. Building of the Moonridge Station is a priority, but several years off. Chief Willis explained that the purchase of the Maple Lane property now is about securing the future. There are no plans to build on it until regular reoccurring revenue for staffing is achieved.

The value of spending money on the Purchase Option for the second parcel gives the Department the opportunity to discuss their mutual interests in the property with the Parks and Recreation District. It also protects the investment in the facility the Department currently has. Master planning of the whole area with the

Parks and Recreation District is warranted if the Department is interested in protecting the corner for its facility. Discussion continued on how to best configure the lots. The Department needs 2.5 acres and could be positioned anywhere in the larger footprint.

There are no current plans to make the Sugarloaf Station more functional but it could be used for fleet maintenance in the future. The Department had considered adding temporary housing for a third person at the Sugarloaf Station, but this did not seem a viable option.

The San Manuel Band of Indians was contacted to conduct a cursory review of the property for archeological and tribal sensitivity. Through their cursory investigation they determined that there is no current knowledge of this location being sacred or a place of other significance.

Discussion ensued regarding having two votes before the Board instead of just the one proposed. If the vote is split and the vote is “no” on the Purchase Option, this could pose a problem with the purchase agreement of the first 5-acre property. Sellers want to divest both parcels together because the seller is trying to clear up Estate issues. Negotiating the Purchase Option was enough to get the sellers to agree to the purchase of the first 5-acre parcel. If it is taken back to the sellers, it is unknown what their answer will be.

Multiple possible purchase scenarios were discussed by the Board.

Chief Willis stated that this is good timing for the purchase of this property and planning for the Department’s future.

Motion by Director Jackowski; seconded by Director Herrick, to approve the purchase of APN # 0312-311-16 only; if the sellers counter that they require the purchase option of APN # 0312-311-17 as well, Chief Willis has the authority to execute the agreement to include the purchase option.

Chief Willis is directed to keep the Board updated on the status of the entire process.

Said Motion was approved by the following vote:

AYES:	Green, Herrick, Jackowski, Jahn, Oxandaboure, Russo and Putz
NOES:	Walsh and Caretto
ABSENT:	Ziegler
ABSTAIN:	None

FA3. Fire Protection Master Plan Discussion of Recommendations

Direction to staff and possible action by Board regarding Fire Protection Master Plan next steps.

Director Caretto left the meeting at 5:53 p.m., and returned at 5:55 p.m.

Chief Willis opened discussion asking the Board how they felt about the recommendations in the Fire Protection Master Plan prepared by Matrix Consulting.

Chairman Putz stated to the Board that the Master Plan was received at the Board meeting of August 1, 2017, with the expectation that the Board would have the opportunity to discuss the issues in the Master Plan and how the Department should move forward.

Discussion ensued.

The following issues have been identified for further discussion:

- Where Department is headed as an organization
- Department structure as an organization
- Priorities as an organization, e.g. manpower, equipment, facilities
- Funding sources
- Level of service the community wants and will support (engagement of stakeholders)

LAFCO will be able to answer questions responding to the possibility and implications of bringing CSD under Big Bear Lake Fire Protection District (FPD) as a possible way to improve revenue. They can explain what obligations they would require of the Department, in addition to addressing if, or how, the tax base could be equalized across Districts.

One of the biggest issues to discuss with LAFCO is governance remaining with CSD and FPD. LAFCO can answer the question "Is the Department required to have an elected Board or can the Board be appointed if one of the member agencies is annexed by the other?" If a whole new elected Board is required, the current governance structure would be lost.

The other big issue facing the Department is available funding options associated with the Department's desired level of service. The Department needs to understand how potential funding mechanisms work before determining how the Department can be funded.

Discussion ensued as to how much of a parcel tax would be required to achieve the funding level required for the desired service levels established in the Master Plan.

The Department needs to understand how the community feels about the current service level and future funding sources as the Department assesses recommendations in the Master Plan. Discussion with community leaders seems the appropriate place to start.

Discussions need to consider visitor impact on the community both positive and negative.

Through these discussions, Chief Willis may be able to get a pulse from the community on standards of cover, what level of service they desire, and some of the current deficiencies in the Department.

The Board and staff could approach these issues through a continuation of the strategic planning process that had previously been put on hold. This process will provide the opportunity to specifically identify issues the Department wants to address and ways to achieve desired results.

The Chief is directed to have preliminary discussions with LAFCO to answer the Board's primary concerns; and in parallel, arrange for a meeting between LAFCO and the Board. Items for preliminary discussion include:

- Can the District be expanded?
- Can the Board pick its structure?
- How can the District be funded?
- Can the District be formed within the current JPA boundary lines?

A path needs to be identified to address other issues, such as getting community stakeholder input and a strategy for matching service levels with funding. It was discussed that Chief Willis and Board members could begin to reach out to the community for their feedback.

Chief Willis believes it is important to discuss with the community, the issues that were identified in the Master Plan. He needs the support of the Board that will allow him the ability to talk to the community about the Master Plan, with the wrap-up question, "Is current community risk okay to you, and if not, are they willing support a change financially?" This is in alignment with a strategic plan determining what the Department is trying to achieve.

The conversation should be done in generalities without raising expectations in the community, talking about what it would take to fix the gaps and deficiencies

without talking about dollars. Communicate what the Department is currently able to deliver and ask if that level of risk is acceptable.

The service level need in the community will either remain or become greater. The Board has the responsibility to inform the community of the Department's capabilities and needs, and either reset expectations or find more revenue to deliver increased level of service to meet community expectations. Deficit spending will not likely be sustainable beyond another year. The community needs new equipment and higher service levels but does not have a revenue source to fill the need.

Speaking with LAFCO or speaking with the community will not provide a plan to address the issue but can be the beginning of developing a strategic plan.

Chief Willis believes a Request for Proposal could be put out asking for an organization to provide the Department with assistance in developing a strategic plan and to determine revenue sources. He also believes the Department has in-house expertise to develop the strategic plan, but may need assistance in funding options.

The Department needs to determine the community's desired level of service to assist with the strategic planning process. The plan will be formulated based on the community desires.

Chief Willis will inquire about a plan or process Apple Valley followed to get their tax measure approved for fire services.

The Board needs a better understanding of how the issues are interrelated before going out to the community. They need to show that the appropriate analysis has been done, and are able to present the possible outcomes based on what the community is willing to fund.

Chief Willis is directed to begin preliminary work on a strategic plan. Chief Willis has authority to determine the format of the work to be presented to the Board, but will include a recommendation with next steps to move towards a strategic plan. This will include a recommendation on a mechanism to get feedback from the community.

ADJOURNMENT

There being no further business to come before the Fire Authority at this session, Chairman Putz adjourned the meeting at 6:53 p.m.

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Fire Authority Special Board Meeting Minutes
August 16, 2017

Dawn E. Marschinke

Dawn E. Marschinke, Board Secretary

APPROVED AT THE MEETING OF OCTOBER 24, 2017.