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**BIG BEAR FIRE AUTHORITY  
MINUTES FOR THE MEETING OF  
FEBRUARY 3, 2015**

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A Regular Meeting of the Big Bear Fire Authority was called to order by Chairman Herrick at 6:31 p.m., Tuesday, February 3, 2015, at 39707 Big Bear Boulevard, Big Bear Lake, California.

**OPEN SESSION**

Moment of Silence: Observed

Pledge of Allegiance: Led by Director Bill Jahn

Directors Present: Chairman Rick Herrick  
Vice Chairman Paul Terry  
Director David Caretto  
Director John Green  
Director Bill Jahn  
Director Karyn Oxandaboure  
Director Randall Putz  
Director Larry Walsh  
Director Al Ziegler

Directors Excused: Director Bob Jackowski

Others Present: Jeff Willis, Fire Chief  
Mike Maltby, Battalion Chief  
Kathleen Smith, Treasurer-Auditor/Controller  
Shirley Holt, Senior Finance Officer  
Corinne Flores, Board Secretary

**ANNOUNCEMENTS AND UPCOMING EVENTS**

The Fire Authority's Administrative Office will be closed on Monday, February 16, 2015 in observance of the Presidents' Day holiday. The Authority's office will re-open at 8:00 a.m. on Tuesday, February 17, 2015.

**PRESENTATIONS**

Chief Willis announced the Big Bear Fire Department has been recognized as the 2014 Most Fit Fire Department by Fitness Appraisal, Inc., testing number one out of ten participating fire departments. Additionally, each of the following personnel was presented with a Certificate of Award for obtaining individual Highest Annual Physical Fitness Scores:

James McDaniel, Engineer/Paramedic – *Highest Score*  
Ricky Seward, Firefighter/Paramedic  
Tony Picciano, Firefighter/Paramedic  
Jon Bidwell, Firefighter/Paramedic

The following personnel were unable to attend the meeting:

Jon Curtis, Captain  
Luke Wagner, Captain  
Brian Lambert, Engineer  
Robert Whitmore, Firefighter/Paramedic  
Brandon Willis, Firefighter/Paramedic

Chief Willis gave a brief report of the 2014 Big Bear Fire Department Annual Snapshot. The report contains some of the highlights for 2014 in the categories of training, incident statistics, staffing, grants, and community risk reduction. Copies were provided to the Directors and public.

#### **CEREMONIAL**

An Oath of Office was administered by the Board Secretary to Re-Elected Director Karyn Oxandaboure.

#### **DIRECTORS' GENERAL ANNOUNCEMENTS**

Director Green advised Deputy Director Manuel Benitez of San Bernardino County Special Districts passed away last week. Director Green asked for the family to be kept in prayer.

#### **GENERAL PUBLIC COMMENT**

None.

#### **CHIEF'S REPORT**

Chief Willis reported on the hiring process for the Senior Finance Officer, Shirley Holt, whom he introduced to the Board; the seasonal call volume during December 2014 and January 2015; staffing of the Baldwin Lake fire station by CAL FIRE; a proposed Board Workshop on March 3, 2015; an upcoming Insurance Services Office rating reevaluation; potential expansion of the administrative offices at the headquarters fire station; and budget performance tracking year-to-date.

Director Caretto inquired if the Authority had obtained liability and worker's compensation insurance to cover employees. Treasurer Smith advised that the one contract position does not require worker's compensation insurance at this time, and

Chief Willis responded the Authority is in process of becoming a member of the California Joint Powers Insurance Authority.

Received and filed.

**CONSENT CALENDAR**

Motion by Director Jahn; seconded by Vice Chairman Terry, to approve the Consent Calendar as follows:

**FA1. Approval of Demands – Check Issue Date 12/02/14 through 01/23/15 in the amount of \$182,782.49**

Received and filed.

**FA2. Fiscal Year 2014/15 Quarterly Report as of December 31, 2014**

Received and filed.

**FA3. Approval of Meeting Minutes from the December 17, 2014 Special Meeting of the Fire Authority**

Approved.

**FA4. Approval of Resolutions - California Office of Emergency Services and CAL FIRE Designation of Authorized Agents to Execute Disaster Assistance Requests for Future Disasters on Behalf of the Fire Authority**

Board consideration of approving Resolution No. BBFA2015-001 and Resolution No. BBFA2015-002 designating authorized agents to execute disaster assistance requests for future disasters to the California Office of Emergency Services and CAL FIRE.

Approved the following Resolutions entitled:

RESOLUTION NO. BBFA2015-001

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BIG BEAR FIRE AUTHORITY, A CALIFORNIA JOINT POWERS AUTHORITY, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AUTHORIZING AGENTS FOR THE EXECUTION OF STATE DISASTER ASSISTANCE REQUEST APPLICATIONS

AND

RESOLUTION NO. BBFA2015-002

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BIG BEAR FIRE AUTHORITY, A CALIFORNIA JOINT POWERS AUTHORITY, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AUTHORIZING AGENTS FOR THE EXECUTION OF STATE FIRE PREVENTION ASSISTANCE FUNDS

The Consent Calendar was approved by the following vote:

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

**ITEMS REMOVED FROM THE CONSENT CALENDAR**

None.

**NEW BUSINESS**

**FA5. Pension Alignment – Authorization for Staff to Pursue Legislation That Will Open Up a Possible Path to Resolve Existing Conflicts Regarding the Alignment of Pension Benefits Under SBCERA and CalPERS**

Board consideration of authorizing Staff to pursue legislation that would amend Government Code Sections 20588 and 31567 to include San Bernardino County.

Chief Willis stated staff is continuing to work toward the Authority becoming a public pension employer with either CalPERS or SBCERA. He recently learned about legislation that allowed for a transfer from CalPERS to a county retirement system without incurring withdrawal liability. Chief Willis introduced Isabel Safie of Best Best & Krieger, who provided a pension alignment presentation regarding this legislation.

Director Caretto left the meeting at 7:20 p.m.; he returned to the meeting at 7:21 p.m.

Director Caretto requested a copy of the retirement law citations that do not permit a defined contribution plan and asked it be distributed to the Directors.

Director Caretto asked if Big Bear Lake employees remained in the SBCERA system and eventually attritioned out, would payment of withdrawal liability still be required. Ms. Safie responded it would as retirement accrued benefits would

still exist to the extent that those benefits have not been fully funded resulting in the withdrawal liability.

Director Jahn asked if a side letter requires employee approval. Ms. Safie clarified she was not a labor attorney, but she believed the employees would have to be in agreement with the proposal, which is to best serve the interests of the Authority and its employees.

In response to Director Walsh's inquiry whether the cutoff date to introduce the proposed legislation through Assemblyman Obernolte's office had already passed, Ms. Safie replied it had not as the date is February 27, 2015.

In response to Chairman Herrick's inquiry, Ms. Safie advised the proposed legislation has been drafted and is ready to be introduced, pending direction from the Authority Board.

Director Caretto commented if we brought all new employees into the CalPERS system and kept the Big Bear Lake employees with SBCERA, the Board previously discussed not providing retiree medical any longer. He asked what becomes of the employees that are already assuming they have retiree medical. Ms. Safie responded the courts have been lenient in the application of vested rights to retiree medical benefits, and there is no statutory framework dictating what needs to be provided. It will depend on the agreements that are in place, which allows for tiered benefits. Director Caretto expressed concern whether this had been legally tested. Ms. Safie replied it is a matter of what the agency promised and keeping that obligation. Employees that have not been given retiree health benefits may have a different tier.

Director Putz asked which plan is better to consider with a smaller pool, aside from the withdrawal liability cost. Ms. Safie responded that with the overall cost over time, the CalPERS system appears to be the better option of the two as the pool for SBCERA is smaller for the Big Bear Lake employees. Director Putz then asked if the withdrawal liability is an unfunded liability that the Authority has regardless; due to the fact that the Authority could potentially move from one system to another, does that trigger the withdrawal liability now; and is the Authority being forced to fund the unfunded liability as opposed to over time? Ms. Safie clarified that CalPERS or SBCERA would impose a higher cost when withdrawing from the system because of the uncertain future. CalPERS is betting that what is paid into the system as a withdrawing agency would be sufficient to pay for those benefits so they increase the level of cost. When an agency stays in a system on an ongoing basis, it could get to a point where the agency is fully funded.

Director Jahn left the meeting at 7:48 p.m.; he returned to the meeting at 7:51 p.m.

Chairman Herrick clarified this is not a mandatory path; the Authority is still looking at all the options.

Motion by Director Jahn; seconded by Director Caretto to approve Staff's recommendation to pursue legislation that would amend Government Code Sections 20588 and 31567 to include San Bernardino County.

Said Motion was approved by the following vote:

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

**FA6. Confirmation of a Standing Administrative Committee**

Board consideration of the Board Chairman selecting four Directors, two from each respective district, to serve as the Administrative Committee to assist Staff in the development of further consolidation strategies and the Board approve the appointments by vote.

Chairman Herrick made a change to the Administrative Committee by replacing Director Jackowski with himself.

Motion by Director Caretto; seconded by Director Jahn to affirm Chairman Herrick's appointments of Vice Chairman Terry, Director Jahn, Director Walsh and Chairman Herrick to the Administrative Committee.

Said Motion was approved by the following vote:

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

**FA7. Establishment of a Fire Code Appeals Board**

Board consideration of the Board Chairman selecting four members from the Authority Board to serve, along with the Chairman, as the Appeals Board pursuant to Section 108.1 of Ordinance No. BBFA2014-001 and the Board approve the appointments by vote.

Motion by Director Jahn; seconded by Director Caretto to approve Chairman Herrick's appointments of Vice Chairman Terry, Director Green, Director Putz, and Director Ziegler to serve, along with the Chairman, on the Appeals Board.

Said Motion was approved by the following vote:

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

**FA8. Banking Relationship – Union Bank**

Board consideration of authorizing Staff to open an operating account with Union Bank for business transactions with the Treasurer, Senior Finance Officer, and Fire Chief as authorized signers.

Senior Finance Officer Holt stated Union Bank is the same bank used by the other two agencies. By opening an Authority operating account, it creates a relationship between the three agencies to facilitate banking transfers as we start to consolidate our operations.

Chairman Herrick asked if there are specific requirements that agencies follow when selecting a bank or could any bank be utilized. Senior Finance Officer Holt replied a bank should have public accounting policies for public entities in place. Treasurer Smith shared with her that there are two banks in Big Bear that are qualified to handle banking for public agencies: Union and U.S. Bank.

Motion by Director Caretto; seconded by Director Jahn to approve Staff's recommendation.

Said Motion was approved by the following vote:

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

**FA9. Purchase of a Used Ambulance**

Board consideration of authorizing an expenditure of \$125,000 from Vehicle Replacement Reserves for the purchase of a used ambulance.

Chief Willis gave a brief Power Point presentation of the existing ambulance fleet and the need for a replacement ambulance. The \$125,000 expenditure is inclusive of the cost to equip the unit.

Director Caretto expressed concern with a potential to add to the ambulance fleet without the surplus of the old ambulance. Chief Willis assured him the least reliable ambulance will be surplus. Director Caretto also expressed concern about placing Authority owned ambulances into service without having liability insurance for them. Chief Willis replied that the Authority does not yet have a unit that is in service, and he is working on how insurance is going to be extrapolated between the two districts and the Authority. Treasurer Smith replied that Staff has been working with the California Joint Powers Insurance Authority to have insurance before an ambulance is placed into service.

Chairman Herrick recommended monies received from the sale of the surplus ambulance be applied toward the purchase. Treasurer Smith stated the purchase will be from Authority Reserves with the proceeds from the sale of the surplus unit returning to Authority Reserves. Equal dollar amounts will be transferred to the Authority from the CSD and Fire District, and the remaining Fire District Reserves will stay with the Fire District.

In response to Director Walsh's inquiry, Chief Willis stated the Board needs to decide whether to move sooner than the budget and make a purchase now to save money or wait until the FY 2015/16 budget.

Motion by Director Caretto; seconded by Director Putz to approve Staff's recommendation.

Said Motion was approved by the following vote:

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

#### **FA10. Employee Benefit Strategy**

Board consideration of confirming the Administrative Committee's recommendations to Keenan & Associates for the development of a benefit strategy.

Chief Willis explained that the Fire Authority will become an employing agency with the first group of employees being Apprentice Firefighters, an



Administrative Clerk, and Paid Call Firefighters. The Senior Finance Officer is being contemplated.

Director Ziegler left the meeting at 8:20 p.m.; he returned to the meeting at 8:25 p.m.

Laurie LoFranco, Keenan & Associates, gave an overview Power Point presentation of a benefit package with price quotes and coverage for the Authority for implementation on July 1, 2015.

Director Caretto asked if the quotes are expandable for employees transferring to the Authority or does the Authority need to go out to bid again. Ms. LoFranco advised new hires can be added onto these plans, however, she will seek better rates with the added employees.

Ms. LoFranco advised she will present a plan design with price quotes for discussion at the March 3 Board Workshop. Currently, Senior Finance Officer Holt and Ms. LoFranco are working to set up a payroll system and standard operating procedures as it relates to benefits and human resources. As the Authority will be required to report on Affordable Care Act requirements, Ms. LoFranco will ensure we are in compliance with the laws related to healthcare reform.

Ms. LoFranco reviewed the items that were voted on by the Administrative Committee for full Board confirmation.

In response to Director Green's question whether a firefighter could opt out of insurance if his/her spouse had better insurance, Ms. LoFranco replied no. The number of firefighters who opt out and the ability to opt affects the rates for those who participate, therefore, participation would be mandatory.

Director Green asked Chief Willis if benefits have been discussed with the Labor Unit for their input. Chief Willis replied Labor is fully informed and on board of what the Authority is doing, however, the affected employees are non-represented, non-vested, new hires.

Director Jahn asked, based on what the Directors heard earlier from Isabel Safie of Best Best & Krieger, could there be a problem. Chief Willis responded Ms. Safie spoke on the issue of a pension plan, not a medical plan. Ms. LoFranco clarified that PERS medical is completely separate from retirement. You can have PERS retirement and never participate in their medical insurance.

With respect to medical benefits, Director Caretto asked if the family would be optional. Ms. LoFranco replied yes. Director Caretto asked if the Authority decides on a 457 or 401(a) plan or both, is it temporary during the transition until the Board decides what direction to pursue. Ms. LoFranco replied yes; it can run

alongside the benefit plan. The 457 and/or 401(a) plan will not compete with a retirement system and is only in place until the Board decides on a retirement plan. Director Caretto asked if the Administrative Committee had discussed or dealt with how much the Authority would contribute to the 457 plan. She replied the Committee has not had that discussion.

Chairman Herrick asked Ms Lofranco if a 457 plan can be structured more like a 401(a) without an employer contribution. Ms. LoFranco replied a 457 plan can be entirely by employee only contribution.

Director Walsh clarified the Administrative Committee agreed not to participate in State disability but contract with private insurance. Ms. LoFranco confirmed this statement.

Director Jahn asked if there is a sunset timeframe for the transition. Ms. Safie responded there is no definitive timeline but the agency has to be actively working toward a resolution. There is ongoing communication with CalPERS and SBCERA, and they understand consolidating into one agency is complicated.

Chairman Herrick asked if there is a cafeteria limit and what would the employee's contribution be. Chief Willis replied the Committee has not reached this point but the plan design that is currently being offered to existing personnel should help guide decisions regarding employees of the Authority.

Chairman Herrick asked if we approve this item tonight, are we locking ourselves into a dollar amount that may not be affordable and what happens next. Ms LoFranco stated that approving this item provides her with Board direction of what to pursue and has nothing to do with finances.

Motion by Director Caretto; seconded by Director Green to accept the Administrative Committee's recommendations to Keenan & Associates for the development of a benefit strategy.

Said Motion was approved by the following vote:

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

### **COMMITTEE REPORT**

- Fire Authority Administrative Committee meeting held on January 8, 2015, represented by Vice Chairman Terry, Director Jackowski, Director Jahn, and Director Walsh.

Received and filed.

**DIRECTORS' CLOSING COMMENTS**

None.

**ADJOURNMENT**

There being no further business to come before the Fire Authority at this session, Chairman Herrick adjourned the meeting at 8:58 p.m.



Corinne E. Flores, Board Secretary

APPROVED AT THE MEETING OF APRIL 28, 2015.