



Cannon Beach

Rural Fire Protection District

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BOARD MEETING MINUTES – NOVEMBER 8, 2021

General:

Date:	November 8, 2021
Time:	18:03 hours (6:03 pm)
Location:	Cannon Beach Fire Station Board Room
Brought to Order Time:	18:03 (6:03 pm)
Adjourned Time:	19:42 (7:42 pm)

Attendees:

<input checked="" type="checkbox"/> Bob Cerelli (President)	<input checked="" type="checkbox"/> Greg Bell (VP) Zoom	<input checked="" type="checkbox"/> Rick Gardner (Treasurer) Zoom
<input checked="" type="checkbox"/> Jason Smith (DC) Zoom	<input checked="" type="checkbox"/> Dave Herman (Member)	<input checked="" type="checkbox"/> Marc Reckmann (Fire Chief)
<input checked="" type="checkbox"/> Deb DiStasio (Minutes)	<input type="checkbox"/> Other (Public) Zoom	<input checked="" type="checkbox"/> Bill Cotes (CPA) Zoom

Call to Order:

The Cannon Beach RFPD Board meeting for November 8, 2021 was called to order at 18:03 hours (6:03 pm) by Board President, **Bob Cerelli**.

Roll Call:

Board Members present were: Bob Cerelli, Dave Herman, Greg Bell, and Rick Gardner.

Other attendees were: Marc Reckmann (Fire Chief, CBFDF), Deb DiStasio (Admin Assistant, CBFDF), Jason Smith (Division Chief, CBFDF) and Bill Cote (CPA).

Changes to Agenda:

No changes were made to the Agenda.

Presentations:

None provided.

Public Comment:

None.

October 11, 2021 Board Meeting Minutes Approval:

Rick Gardner moved to accept Board minutes from October 11. **Dave Herman** seconded. All were in favor. None opposed. Motion carried.

Rick Gardner moved to accept the minutes of the **Special Board Meeting** on October 5, 2021. It was seconded by Dave Herman. All in favor, none opposed, motion carried.

Treasurer's Report:

The Treasurer's Report was read as written by Bill Cote. Highlights are summarized below.

- a. **Statement of Net Position (Balance Sheet).** Read by Bill Cote as written and presented. Total cash on hand \$1,172,338 vs. \$560,542 previous year. Up \$611,796 from last year. Rick Gardner asked how we came up with the negative amount in Checking Columbia State Bank of (\$129,055). Bill responded it was a transfer and sometimes the checks don't clear in time for reporting. Rick Gardner asked about the Money Market account. Chief responded that is the money from the Engine loan which will eventually get paid out. Bill indicated the Bond Liability is down to \$210K. We just made a payment of \$100K. Rick Gardner commented that it looks like we have a lot of cash and asked if we should pay off some of these bonds early? Bill indicated this is not possible as it is paid out using coupons, and we would have to do a Bond refunding which is a big process not worthy of \$210K. Bill added further that we're not budgeted to pay these off early. To change the budget over 10%, you'd have to re-approve the change from budget committee.
- b. **General fund:** Read as written and presented. We're 1/3 (33%) through the year. Taxes have started coming in. We've collected \$63,568.90 in October. We'll collect more in November and by the end of December, we will have collected 90% of \$845K. Total personnel expenses, we've spent 39.5% of our budget. We're over 33%, but it's because we spent our conflag that was budgeted. Total expenses incurred to date is \$341,800.56. This is our legal budget. We're at 36.2% of budget. This line will be watched since it's 36.2% vs. 33% of budget. If it's not going to be over 10%, it's a simple Board Resolution. If more than 10%, we'll have to do a budget supplemental. Rick Gardner asked what the "Other Expense Debt Service" for \$65K. Bill indicated we will pay that sometime this year for debt payment and that this debt is different than Bonded debt which has to go into a Bonded Service fund. Chief added the debt is \$308K. The \$65K is repayment to carry the debt for more than 5 years. Rick asked the interest on it. Chief responded he has the information. Rick indicated it seemed like we have a lot of money in the budget and why not pay off debt to avoid interest. Chief explained we really don't have money to pay off debt in budget by the time we pay off the portion of debt. It just reflects we have a lot because we have not paid expected expenses yet. We have two big payments expected this year: 1) \$250K down payment on the Engine; and 2) \$250K for rescue. Chief clarified if we go back to equipment and maintenance section which shows higher percentages than 33%, it's because we had annual maintenance completed in September and maintenance planned was completed early in the budget cycle. This will even out over the next few months because we won't have those heavy expenses. Under Training, Jason purchased the rope rescue equipment for fiscal year early. Greg Bell asked if we are done spending legal fees this year. Chief responded he is unsure at this point.

- c. **Fire Chief fund:** Read as written and presented. Bill highlighted that Fire Chief Materials & Services budgeted \$31K of which only \$3,400 has been spent. Bill pointed out that it would be best to get this fully expended because these are restricted dollars.
- d. **Cash per Fund:** Read as written and presented. Rick asked for clarification on Net Income. Bill explained we have cash of \$1,172,338. Of this \$300K is borrowed money from US Bank. Subtract \$300K and that gives us \$873,064. This is our current October 31 cash.

Rick Gardner motioned to approve financial reports. It was seconded by **Greg Bell**. All were in favor, none opposed. Motion carried.

Bills:

The bills register was reviewed with no questions.

Correspondence:

Nothing to present.

Monthly review of board policies:

Policy Simplification was presented by Deb DiStasio proposing going from 64 Policies to 10 through consolidation and simplification applying SDAO and other fire department's examples. Proposed going from 2-year review cycle to annual review cycle. Board agreed to consolidation and agreed on annual review cycle. It was further decided that the Board could review, per monthly board meeting, two consolidated SOPs that have current content, and one consolidated SOP with unreviewed content until catching up on all periodic review content. Once current in all reviews, board will review one per meeting, annually one. Two policy revisions of existing policies were presented. These included: 2.4 District management and 3.7 Vacancies. Rick Gardner asked on 3.7 District Management whether it was reasonable for a new board member to '2. Understand Oregon Open Meeting and Public Records Laws.' Prior to starting on board. Discussion indicated it is a consideration only. **Dave Herman** motioned to approve 3.7. **Greg Bell** seconded approving 3.7. All were in favor, none opposed. Motion carried. Review of 2.4 will be completed for next board meeting.

Old Business:

- **Volunteer Housing.** Chief Reckmann indicated that according to Clatsop County, the Arch Cape station property land use criteria allows us to build a house. However, it was discovered that the Arch Cape station is not inside Arch Cape Sanitation District and needs to be annexed prior to building. Annexation process is more complicated than Fire District's annexation process because it goes through DEQ. This will be a six-month process. Cerelli indicated that Dale Mosby does have a house that will become available for firefighters to rent. Cerelli asked if we have volunteers currently needing housing. Chief responded yes. Cerelli indicated he would talk to Mosby about availability in the near future. Chief indicated he was at a conference last week, and we are not alone in this issue. Many fire stations are experiencing the same issue around affordable housing for volunteers and paid staff. Netarts and Nestucca are dealing with this currently. Greg Bell asked what our ownership is in finding housing. Cerelli indicated we are only trying to find affordable housing, but do not finance or are legally obligated in the renting.
- **Change Banks** – Rick Gardner indicated he has full access to the e-bank part of Fibre Federal. He indicated Marc, Bob, Bill Cote, and Deb have view capability.

Chief indicated he could not see any accounts. Chief indicated the next step for us is to get the credit cards set up. Rick indicated running both accounts in parallel in the interim.

- **Financial Planning – discussion.** Chief indicated he met with Greg and Rick to go over the long-term financial planning in-depth. Chief ran three 8-10 year scenarios including: 1) current (without food tax), 2) current with food tax; and 3) current without food tax but using new Levy as income stream. The downside with 1 is we don't have any extra money for personnel or adding to equipment reserve. Operational expenses have gone up including fuel and medical EMS equipment and supplies. Dispatch fees have not been raised in 20 years at least. This is not sustainable and is anticipated to go up significantly. Chief asked for any questions of where we are at right now? None provided. Chief went on to discuss food tax option. If it passes, it's estimated to bring in \$800K first year and go up from there allowing us to put money in the equipment reserve and fund personnel. Spending won't occur until we see what the actual amount will be. Greg Bell asked about the going after the Grants. Chief explained the city's concern was we could go after the grants and live off the grants, but that won't give us anything we don't already have but we will continue to go after grants, regardless. Bell clarified the new firefighters are scheduled for 2023. Chief confirmed yes. Rick Gardner added what Marc has put together is a really good spreadsheet that takes the financials out 10 years bringing a more realistic picture. It also helps to do "what if" statements in advance, helping to create future strategy. Herman asked if food tax fails, what would the next steps be. Chief pointed out the 3rd scenario where \$1.60/thousand (which is \$1.25 levy + permanent tax rate). With the two levies and permanent tax rate, we currently have \$.89/thousand. Doing a consolidated levy could raise the amount to \$1.60/thousand, if passed, would be comparable to food and tax. Gardiner asked which ballet we would try and get it on. Chief responded that would be a Board decision. We would have to have a resolution in place and delivered to the County sometime in February. The Chief levy is up in 2023. The second Operations levy is up in 2025 (two years after Chief levy). Cerelli indicated he is not looking forward to jumping into a levy in May if we find out food tax doesn't go. Herman added he hadn't thought about it much but wondered if it wouldn't be the right time while the food and beverage tax is fresh on people's minds. Gardner indicated he'd like to get to one levy. Chief indicated that is the plan. Chief added that he did not state we were going to a levy in May as was reported by the media. He did state it was discussed, but not that we were going to one. Chief concluded that if anybody would like to go through the information in more detail, to let him know. In answer to Herman's question, chief indicated Nehalem's tax rate is \$1.19/thousand. In talking with fire chief of Nehalem, Chief indicated they may for a Levy next year to try and get their rate up. Herman liked the effort made to establish contingency scenarios.

Cerelli asked if there were any other comments. Chief indicated that we were working on going through analyzing PayScale's similar in other coastal communities as due diligence to see how we are competitive to others. The Census data came out. Cannon Beach has gone down in population 387 (from 1876 to 1489).

- **Board Vacancy.** Separate handout was provided of candidates' applications. Chief indicated there are three candidates which the board can make a decision tonight to appoint, or have a special executive board meeting to interview with agreed upon questions. It was decided based on the Board's availability to have

candidates come in 30-minute intervals with 15 minutes between each on Thursday, November 18, starting at 5 pm. Deb will schedule with candidates and create sample questions for board to choose from.

New Business:

- **COWS.** Separate document with historical information was provided to Board ahead of meeting for review. Chief indicated our insurance sees COWS as a high liability risk for the District. They were interested in seeing maintenance records, testing, coverage. Chief also spoke with Special District's Risk Management consultant. He strongly encouraged us to find money to maintain/replace them or disband them and take them down. Feels we are in a big liability in the sense if one falls down and that we have voids in our District. We also cannot set off the alarms unless we are at the station and in the alarm testing some do not work where it takes months for us to get them to work. Cerelli added that being on the coast makes it difficult to maintain in general. He added that previous board members were advocates to the system. However, he believes the system is antiquated and maintenance is too much. Chief indicated he made contact with Depot Bay who put in a new system recently where he obtained the vendor's name. Gardner asked the difference in the two systems. Chief indicated in contacting the vendor, it is believed the system is highly robust, includes working off cell phones and satellite phones as well as solar panels. Chief and will work on understanding the pricing and more details next week. Additionally, chief was informed that a fire grant may have money to help pay for this. Cerelli responded by questioning the board whether they felt it was the District's responsibility to own this emergency alert system. Bell responded, if the City came into some money from a food and beverage tax, perhaps with the Emergency Response team it should reside with them or County. Cerelli believes it should be county-driven. Chief indicated he's spoken with County and they have no interest. County believed one of the biggest concerns is non-coverage in areas such as Falcon Cove and Hug Point, which is something the District has concerns. Gardner indicated this is why he thinks we should get out of this business based on risks. Other Board members agreed. Gardner asked if we could get something in writing from our Insurance Company along the lines of the risks. Chief indicated yes. Chief asked what direction the board would like to go. Bell indicated getting statement from Insurance. Cerelli asked if we could come up within financial breakdown of costs to replace and costs to tear down, which Chief indicated yes. Cerelli added that we need a system that doesn't require a person to be on the premise to start the alarm. He added that the politics will be strong. In summary the board indicated they are in agreement we should own it, and Bell reminded in the near term we're only going to get the risk statement from the Insurance.

Reports:

- **Chief's Report:**
 - ***Billing for Services – State Parks.*** Met with State Parks. Still working on contract with them.
 - ***Grants:*** Chief working on AFG equipment grant (hose, radios) will be opened until December 17. Chief indicated he's run into an individual to help me apply for a Seismic Stability Grant (\$2.5 million), taking us 2-3 years to get through the process. It is to bring facilities up to code. This facility is not up to code. It will cost us \$2-3K up front to do the study, and then if we're awarded, we would be reimbursed. If we get the grant, it may require us to

move out of the building for a period of time while the work is being done. Chief added there are a lot of benefits besides the seismic as we may require replacing some siding, windows, and lighting. Bell asked if the Grant requires we have an in-kind contribution. Chief indicated no. The only other cost besides the upfront seismic study will be if we add to it, such as expanding the building.

- **Radio System:** Radio systems continue to fail. We had a major failure in north county. Chief has meeting on Wednesday with joint police and fire dispatches and DayWireless to see where we're going.
- **Building.** Fixed drywall last week. No more issues.
- **Network.** Network and video was put in Arch Cape and it's up and running. The Arch Cape Water and Sewer put in monitor and we did the wi-fi.
- **Student Program.** Starting to get some interest. Hopefully next month we'll see more movement.
- **Upcoming events:** Attended OFDDA conference. Good conference. A lot of good things, such as networking. A lot of discussion with volunteers.
- **Training Chiefs Report.**
Read as presented by Division Chief, Jason Smith. DC indicated we had a lot of good training. Jason Smith, Shaunna White and Nathanael Wilkerson attended a required Hazmat IC class for anyone running hazmat calls. DC intends to train the other Lieutenants in this now that he's qualified to train. Reviewed LUCAS device, ran through some forcible door training with our new door prop, and spent two drills going over the house running through scenarios. We walked away with a lot of good training practice hands on forcible entry, adjusted tactics for a metal roof. We challenged people's ability to work together. Thanks to Bob Cerelli for arranging the house. There will be only two drills in December due to holidays. Herman asked about the prop. DC described it as an inward/outward door made specifically for practicing entries using tools and technique. Cost for the prop was approximately \$17K. It was purchased by the Association.

Board of Directors Reports:

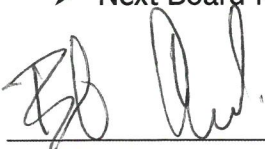
- **Cerelli.** Took a moment to thank the new board members, Greg and Rick.
- **Bell.** Nothing to report.
- **Gardner.** Nothing to report.
- **Herman.** Nothing to report
- **Public.** Nothing.

Good of the Order/Public Comment:

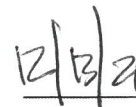
None

Adjourn:

- **Herman** motioned to adjourn which was seconded by **Gardner**. Adjourned 19:42 hours (7:42 pm).
- Minutes submitted by Deb DiStasio.
- Next Board Meeting scheduled for December 13, 2021.



Bob Cerelli, President CBRFPD



Date: