

REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
MONTECITO FIRE PROTECTION DISTRICT

Held at Fire District Headquarters, 595 San Ysidro Road, June 15, 2009. The meeting was called to order by President Jensen at 8:32 am. Present were Director Jensen, Director Venable, and Director Newquist. Others present at the meeting: J. Badaracco, E. Klemowicz, J. Langhorne, C. Lim, G. Lopez, M. Manion, G. Ventura, and K. Wallace.

1. There was no public comment.
2. On a motion made by Director Newquist, seconded by Director Venable, the minutes of the May 18, 2009 regular meeting were unanimously approved
3. After a brief explanation payments made to Campbell Geo Inc., GEM Equipment Repair, McPherson Tree Care, Price, Postel and Parma, and payments for HVAC repair, the warrants and claims for the month of May 2009, were unanimously approved on a motion made by Director Newquist and seconded by Director Venable.
4. Chief Wallace advised that the District recently received 2 unsolicited donations from State Farm (\$2500) and Synergy (\$150), and asked the Board to accept them. On a motion made by Director Newquist, seconded by Director Venable, the \$2500 donation from State Farm and the \$150 donation from Synergy were unanimously accepted.
5. Chief Wallace presented a new uniform policy to the Board stating that it includes updated uniform guidelines that have changed over the years. He added that the policy has been reviewed by the Montecito Firemen's Association. A new category in the policy includes tattoos and body piercing. On a motion made by Director Venable, seconded by Director Jensen, the Uniform Policy was unanimously approved.
6. Mark Manion stated that the Board approved prefunding GASB45 at a previous meeting, but choosing who would administer the fund was left undecided. Creating the District's own section 118 trust, was rejected due to time and cost associated with managing this type of fund. Two other options that were discussed included Cal PERS, and PARS.

Mr. Manion stated that he felt PARS was the more user friendly administration vehicle for prefunding post retirement benefits. The cost is about the same for both companies, however, PARS has indicated that the cost is reduced as more is invested. PERS states that they charge 40-60 basis points but provides no guarantee. PARS states that they charge 60 basis points.

PERS' goal is a 7.75% investment strategy, and is the same for all investors. PARS works with the client and allows you to create your own investment strategy and risk tolerance.

PARS and PERS are both irrevocable trusts and cannot be accessed for any other purposes.

PARS can be terminated in 90 days, and will help to facilitate the transition of the assets to a different vendor.

Cal PERS requires actuarial every 2 years. PARS has more liberal actuarial requirements.

Director Venable stated that he was happy with the flexibility of PARS, noting that their fees are reasonable, and the 90 day termination option is a very good addition as well. He advised that he would like to find out more information about PARS.

Director Newquist advised that Cal PERS seems to be a closed system, versus an open system with PARS. He also feels that the costs associated with PARS is very reasonable.

Chief Wallace stated that Coast Fire Protection District uses PARS, and their Fire Chief was very happy with the responsiveness of their representatives.

Director Venable asked to have a representative from PARS at the July meeting and invited the Montecito Firemen's Association to attend.

7. At 9:06 am the Board went into Closed Session pursuant to Government Code Section 54957.6, conference with labor negotiator to review the District's position and instruct the District's designated representative regarding salaries, salary schedules, and compensation. District negotiator: John Venable, Employee Organization: Montecito Firemen's Association, Unrepresented Employees: Fire Chief, Fire Marshal, Division Chief Operations, Battalion Chiefs, Accountant, and Administrative Secretary. Present were Director Jensen, Director Venable, Director Newquist, M. Manion and K. Wallace.

At 9:50 a.m. the Board reconvened in open session. Chief Wallace announced that the Board gave instructions to the appointed negotiators and made no reportable decisions.

8. Chief Wallace reviewed the preliminary budget with the Board, adding that on advice from the County, it is based on 0% increase in revenues.

Chief Wallace advised that the preliminary budget includes prefunding GASB45 with \$600,000. He added that we have reduced secured revenues in the preliminary budget by \$922,000 due to a proposed funding shift from Prop 1A that the State has said they might do. If the shift does not occur, this will be added back into the budget.

Chief Wallace stated that Engine 92 is scheduled for replacement this year however, because the engine costs more than we had anticipated in our vehicle replacement plan, additional funds had to be transferred from the general fund to cover shortage in costs. He advised that staff will review and update the vehicle replacement plan to include higher vehicle costs.

Chief Wallace pointed out that line item 7440, which funds our vegetation management program, has been reduced from what has been included in previous years.

On a motion made by Director Newquist, seconded by Director Jensen, Resolution 2009-02, Resolution of the Board of the Montecito Fire Protection District in the matter of the adoption of the preliminary budget for the 2009-10 Fiscal Year by the following roll call vote:

Ayes:	R.J. Jensen ,J. Venable, D. Newquist
Noes:	None
Absent:	None

9. Chief Wallace advised that some residents who lost their homes in the Mountain Drive area are having difficulty getting the appropriate fire flows required to rebuild, and are looking to both the Water District and the Fire District to help. The Water District and Fire District plans to form an ad hoc committee to review the situation on Mountain Drive and make recommendations on how best to proceed. Director Venable volunteered to be on the ad-hoc committee with the Water District.

10. Fire Chief's Report

Chief Wallace reported on several issues including: New Santa Barbara County Fire Chief, LAFCO agenda item to change the sphere of influence for a parcel on Sycamore Canyon; Follow-up on Santa Maria Air Tanker Base, Special Reports to be given for the Montecito Association from all three Special Districts; and the Fire Chief's upcoming vacation.

11. There were no additional items requested for the July regular Board meeting.

12. Director Jensen adjourned the meeting at 10:03 am.