

**ROSS VALLEY FIRE DEPARTMENT
STAFF REPORT**

For the Special Meeting of July 19, 2023

To: Board of Directors

From: Dan Mahoney, Interim Fire Chief

Subject: Authorize Use of Undesignated Reserves

RECOMMENDATION:

Staff recommends that the Board approve one-time use of undesignated reserves. Staff recommends the Board review the options provided.

BACKGROUND:

Station 19 (built in 1976), Station 20 (built in 1960), and Station 21 (built in the early 1970's) were designed and built utilizing the shared living space concept that include shared dormitory and bathing areas. Through the years temporary accommodations have been made to address privacy needs of personnel.

The closure of Station 18 will bring additional personnel to two of the fire stations. As part of the Station 18 closure discussions, the Fire Board also expressed a commitment to increasing future staffing to 3-person engine companies to include all three stations serving the RVFD (See Attachments). Contemporary fire stations need to meet the current and future accommodations for a diverse workforce, including gender neutral sleeping and bathrooms facilities.

At the May 2023 Fire Board meeting, staff presented information and a recommendation for the "Use of reserves for partial funding of Capital Outlay at three Ross Valley Fire Stations". The Board held discussions relating to staff's presentation and recommendation. Staff was asked about the Board's legal authority to use undesignated reserve funds for proposed station projects based on the JPA Section 9.2a. Staff suggested "tabling" the item to discuss this question with legal counsel, and return back to the Board in June with information on the Board's decision-making powers.

The item was brought back for discussion at the June 2023 Fire Board meeting. After consulting with legal counsel, staff communicated legal counsel's position on this matter. Staff presented options for reallocation of the funding from undesignated reserves for these projects. A motion was made for one of the two options to "Approve the one-time use of \$800,000 from undesignated reserves to partially fund San Anselmo Station 19, San Anselmo Station 20, and Fairfax Station 21 remodel projects. One-time proposed funding amounts of \$200,000 for Station 19, \$300,000 for Station 20 and \$300,000 for Station 21, totaling \$800,000, shall be considered for approval".

A unanimous vote was needed to pass this motion per JPA section 2.3 (d)(i). The motion did not pass due to multiple board members voting “no” on the motion.

After further discussions, staff was asked to return to the next board meeting and present an option that would not require a unanimous vote and suggested the option should include utilizing funds not in excess of 3% of the current FY operating budget.

DISCUSSION:

Both Fairfax and San Anselmo are taking a proactive approach to maximize the lifespan of their fire stations by making changes to accommodate operational needs of additional personnel, taking into consideration the modern-day contemporary fire station concept mentioned above.

Both Towns have been engaged with architectural firms related to improvements. In both cases, cost estimates are exceeding funding the Towns have committed to the projects. These additional costs are related to necessary scope beyond adding a single person on each shift and focus on improvements to conditions that will ensure long term sustainability of housing emergency services personnel in improved living conditions. The following proposed projects are:

Station 19 - Proposed project to include: provide separate dormitory rooms for on duty personnel, create an additional bathroom that includes a toilet and shower, remodel existing upstairs bathroom. This project would remain in the existing footprint of the building. Estimated costs start at \$200,000.

Station 20 - Proposed project to include: provide separate dormitory rooms for on duty personnel, create separate bathrooms that include a toilet and shower, kitchen remodel, relocation of exercise room from apparatus bay to interior space. This project may or may not remain in the existing footprint of the building depending on funding. Estimated costs are \$1.3M to \$2M.

Station 21 - Proposed project to include: separate dormitory rooms for on duty personnel, additional bathroom that includes a toilet and shower, kitchen remodel and relocation due to new layout. This project will remain in the existing footprint of the building. Estimated costs are \$650,000.

RVFD reserves have experienced a steady increase over the last 5 years in part by RVFD’s “California Fire Assistance Agreement ” (Out of County) deployments. In FY 16/17 the fund balance totaled \$763,141. Five years later in FY 22/23 the fund balance has grown to \$2,726,619. Approximately \$1,055,245 (after salary reimbursement) of this fund balance increase is directly related to the out of county deployments.

Staff recommends using reserves which are currently above the reserve policy of 10%.

The following options may be considered by the Board:

Option 1

Approve one time use of \$1,372,839 from undesignated reserves to be placed back into the FY 23/24 budget. Each member's "percentage shares" would be deducted from the \$1,372,839 thus reducing the overall cost per year for that member in FY 23/24.

This option would require a unanimous vote

Spending Limitation: **Funds can be used with no limitations**

<u>Town</u>	<u>Member Share</u>	<u>Reduced cost/funds for each member</u>
Ross	23.37%	\$320,833
San Anselmo	40.53%	\$556,412
Sleepy Hollow	12.8%	\$175,723
Fairfax	23.3%	\$319,871

Option 2

Same as Option 1 with the exception of replacing the "Spending Limitation" with: **Funds must be used for Station 19, Station 20 and Station 21 remodel projects or anticipated additional firefighter staffing.**

Option 3

Staff was given direction at the June 2023 Fire Board meeting to bring back an option utilizing undesignated reserves that would not exceed 3% of the operating budget, therefore not requiring a unanimous vote per JPA Section 2.3 (d)(i).

Approve one time use of \$404,780 (2.99%) from undesignated reserves to partially fund San Anselmo Station 19, San Anselmo Station 20, and Fairfax Station 21 remodel projects. One-time proposed funding amounts of \$101,195 for Station 19, \$151,792 for Station 20 and \$151,792 for Station 21 (totaling \$404,780) may be considered for approval.

This option would require one (yes) vote by a director from each member agency. It also requires a minimum of five votes total. Legal counsel recommends this option shall only be used once per fiscal year.

Option 4

Form a subcommittee consisting of at least one board member representing the Town of Ross and two other board members representing the remaining member agencies in the JPA.

FISCAL IMPACT:

Option 1 - Fiscal impacts will include one-time use of \$1,372,839 from undesignated reserves to be allocated back into the FY 23/24 budget. Each member's "percentage shares" would be deducted

from the \$1,372,839 thus reducing the overall cost per year for that member in FY 23/24. See table above under “reduced cost for FY 23/24” for member savings. A revised budget reflecting each member's savings will be presented at the next Board meeting. This option would keep the reserve at 10%, in alignment with the Board’s Reserve Policy.

Option 2 - Same as Option 1

Option 3 - Fiscal impacts will include one-time use of \$404,780 from undesignated reserves to partially fund San Anselmo Station 19, San Anselmo Station 20, and Fairfax Station 21 remodel projects. One-time proposed funding amounts of \$101,195 for Station 19, \$151,792 for Station 20 and \$151,792 for Station 21 totaling \$404,780. This option would keep the reserve at 17%, in alignment with the Board’s Reserve Policy.

Option 4 - There is no immediate fiscal impact.

Encl.: Item 7d - Minutes January 12, 2022 - **Attachment #1**
Item 5f - Staff Report, dated January 12, 2022 - **Attachment #2**
Item 5g - Side Letter, dated January 12, 2022 - **Attachment #3**