EL DORADO HILLS FIRE DEPARTMENT

OPPOSES NEW SRA FEE IMPOSED ON CONSTITUENTS

State Levies Additional Cost With Out Providing Additional Services

The El Dorado Hills Fire Department Board of Directors adopted a resolution opposing the newly implemented State Responsibility Area (SRA) fees, which will impose additional financial burden on its constituents without providing additional fire services.

SRA fees mandate that many homeowners living in forested or wildfire-prone areas pay an annual fee of $150 to the State of California for fire-prevention services. The Fire Districts Association of California (FDAC), the El Dorado County Fire Chief's Association, the El Dorado County Board of Supervisors and the El Dorado Hills Fire Department have actively opposed the bill on behalf of its fire district members since the idea was presented a few years ago as a way to generate additional revenues for the state.

El Dorado Hills has homes located in these State Responsibility Areas (SRAs), which are designated zones that are already primarily protected by El Dorado Hills Fire Department. These homeowners already pay local taxes for year-round fire prevention and protection services. It is the position of El Dorado Hills Fire Department that this annual $150 SRA fee is onerous to the residents who will not see any direct benefit from California Department of Forestry and Fire Protection (CAL FIRE), the state's wildland firefighting agency. Local fire districts will not receive any of the estimated $125 million collected as the state struggles to fill its budget gaps.

El Dorado Hills Fire Department did not support this legislation nor believe that this fee should be imposed on its residents. California's Master Mutual Aid System, which is a model for the rest of the nation, has for decades inspired collaboration between local fire agencies and the state and will be jeopardized by these fees. Local fire agencies are concerned that with the implementation of the SRA fees, any future measures supporting local fire protection, prevention and paramedic services will simply not be approved by voters on top of the SRA fee charged by the state putting the local agency and its constituents at risk. "If it is the will of the State Legislature to reduce the burden on the State's General Fund for CALFIRE costs, an alternative and more equitable mechanism is necessary,".

August 16, 2012

Station 84 Construction Committee Report - Final Report

Summary:

A Fire Department committee consisting of administrative staff and shift personnel was formed to look into options to overcome deteriorating living conditions and insufficient size of the apparatus bay at Station 84. This committee met with the Board of Directors Fire Committee to discuss the station conditions and form a plan on how to proceed.

The main concern with Station 84 was found to be the insufficient size of the three apparatus bays and the angle of approach into the bays. The poor approach angle puts the employees and equipment at risk of injury or damage every time they pull into the engine bay.

Fire Station 84 was built in 1982 and was never designed for the size and weight of the current fire apparatus that is used today. A remodel was completed in 1992 that added on sleeping quarters and a workout room. This addition was conducted on a shoe string budget with many design features that are breaking down today creating the need for major upgrades.

By far the largest concern is the fire apparatus bay. The lack of safe entry for the fire apparatus as well as size for ample storage is a major concern. Since all other parts of the building connect to the apparatus bays, making it larger was cost prohibitive.

The following is a list of factors used in the decision process to tear down and rebuild station 84:

- Insufficient electrical wiring
- Insufficient data wiring for computers, phones and radio systems
- All HVAC systems are at the end of their life span and need replacing
- Roof design over the engine bays fosters leaks; complete tear off needed to remedy the situation
- Mold concerns from years of chasing down roof leaks
- Insufficient bathroom facilities
- General plumbing issues throughout the station
- No Fire Sprinklers
- Engine bays are insufficient in width, length and height to accommodate the taller, wider and longer fire apparatus used today

- Engine bay door openings are too small to safely accommodate today's larger fire apparatus
- Angle of approach insufficient for a safe entry into the apparatus bay
- Insufficient fire equipment storage, turnouts, work shop, medical gear
- No room for a kitchen table for dining, meetings…
- Small lobby space
- No offices for meetings or Officer privacy
- Auxiliary generator needs replacing and a permanent remedy is needed to evacuate the exhaust so it does not affect the health of the Firefighter
- On site buildings (storage, electrical equipment, dumpster) needs to be removed or relocated to improve angle of approach for safe apparatus bay entry
- South driveway entrance needs to be constructed to support fire apparatus
- Kitchen is insufficient in size and storage
- All flooring needs replacing
- Insufficient seismic engineering for today's stringent codes for essential service buildings
- Current station is not ADA compliant
- Station 84 was built and remodeled for occupancy prior to the addition of female FF's to our force. Sleeping and bathroom accommodations are barely adequate at current station.

Both committees agree that the best solution to these issues is to either move the location of Station 84 or tear it down and rebuild. The EDH Board of Directors voted over a year ago to not purchase new property on the corner of Green Valley Road and Francisco Drive. The EDH BOD Fire Committee and the Department committee agreed to proceed with plans to tear down and build new on the existing property.

The Department committee traveled to several two story fire stations to gather information and make an evaluation as to what would work best for the El Dorado Hills Fire Department and the community. This information was given to the contract architect for conceptual drawings and time lines, who submitted multiple drafts for the new station layout.

The Department committee has drafted a Request for Proposal for Architectural Services for the tear down and rebuild of Station 84. The draft RFP proposal was approved by both committees and ultimately approved to put out for proposal at the July BOD meeting.

All interested bidders had six weeks to submit a RFP. The committee then evaluated all bids based on criteria listed in the RFP posing. A staff report will be presented to the Board of Directors at the August 16th meeting.

STATION 84 FACILITY DISCUSSIONS

COMMITTEE MEETINGS

Oct. 4, 2007- Approved Bid for roof repair at Station 84.
Feb. 6, 2008 - Review and discuss Station 84 remodel or feasibility of building a new station.
Jan. 27, 2009 through August 22, 2010 - Property Negotiations to move Station 84.
August 22, 2010 - Board voted to not purchase property to move Station 84.
Aug. 22, 2011 - Discussion on what to do with Station 84's construction needs. This was put to committee to research options. Remodel, move or build new.
May 29, 2012 - Review and discuss construction plans and alternatives for Station 84.

BOARD MEETINGS

June 26, 2006 and July 19, 2006 - Review and approve easement for El Dorado County at the Francisco Drive Station related to the Green Valley Market Place. Chief Russell suggested that money go back to the developer to improve the access into Station 84 to alleviate problems with the left turn into Station 84.
Sept. 25, 2006 - Final budget was reviewed and discussed which included an additional driveway for Station 84.
Oct. 17, 2007 - Ratify approval of roof repair at Station 84 in the amount of $7,200 with an additional $55 per hour plus materials for unforeseen dry rot or other damage.
Nov. 30, 2007 - Goals were discussed; five goals will roll over from 2007 to following year; one being the Station 84 facility.
Jan. 16, 2008 - Station 84 will be incorporated into a Goal for the Master Plan in 2008.
Nov. 21, 2008 - The 2008 goals were reviewed; goals not completed would be continued to following year; one being the Facility Master Plan, mainly Fire Station 84 facility plans.
Dec. 10, 2008 - Review and discuss possible purchase of property for Station 84 at the corner of Green Valley Rd. and Francisco Dr.; Chief Veerkamp asked to have this assigned to a Committee for further research and possible negotiations that would take place in future agendas in closed session. President Hidahl referred this item to the Administrative Committee.
Jan. 21, 2009 - November 16, 2009 - Real Property Negotiations (was on agenda but doesn't appear it was discussed). Goals for 2009 were discussed; one goal was to develop a Facility Master Plan.
Dec. 11, 2009 - Strategic Planning Meeting - Real Property Negotiations. Develop goals and objectives including the Station 84 facility.
Jan. 21, 2010– Real Property Negotiations. 2010 Goal Development Report - top priorities include developing a Facility Master Plan to include Station 84.
Feb. 18, 2010 –May 26, 2010- Real Property Negotiations.

May 26, 2010 – VP of Assoc. Firefighters expressed the Associated Firefighters opposition to purchase land for a new Station 84. Speaking for himself, he suggested having the Committee take another hard look at the feasibility of keeping Station 84 at its current location and renovating or tearing it down and building new. He emphasized the fact that Station 84's current location has huge public relations and customer service benefits to the Department; its neighborhood location lends itself to foot traffic which in turn results in a close connection with the community that no other station enjoys.

July 15, 2010 - The Facility Master Plan discussed stating that it will take at least six months to develop.

Aug. 19, 2010 - The Facility Master Plan was discussed stating that the cost should be added to the Five Year Plan.

Aug. 18, 2011 - Director Hidahl made a motion to assign the Admin Committee to review the Station 84 remodeling needs and made a recommendation to the Board. The motion was seconded by Director Hidahl and unanimously carried.

Aug. 25, 2011 - Director Barber reported that a committee meeting was held to discuss the short and long term repair and remodeling needs for Station 84. He said that the committee was successful in working through a plan to met the immediate short term needs such as repairing the roof to stop leakage and resolving the existing diesel generator problem to eliminate health issues at a cost of $32,000.00; this will allow more time to thoroughly plan for Station 84's long term vision that may include a complete remodel or replacement.

Nov. 14, 2011 - Chief O'Camb discussed the Station 84 Construction Committee's recommendation to award the reroofing project to Mountain Roofing Systems for $9,280.

June 21, 2012 - Director Barber lead a discussion on the construction plans and alternatives for Station 84 stating that the Admin Committee has concluded that the best solution to the many inadequacies of the old station is to demolish and build a new two-story station. Chief O'Camb added that the Station 84 Committee visited several two-story fire stations in an effort to ensure that the new station has the best features to suit the District's needs. Richard Ross, EDH resident, suggested that in order to be more transparent, Staff generate a report and make it available to the public outlining the reasons that necessitate the rebuilding of Station 84. Director Barber made a motion to authorize a Request for Proposal for architectural services for Station 84. The motion was seconded by President Hidahl and carried. (Roll Call: Ayes; Barber, Durante, Hartley, and Hidahl; Noes; Winn). President Hidahl assigned an action item to Staff to consolidate existing information into one report to include the current condition of the building; why it is being recommended to replace the building; what other alternatives have been evaluated; and any other past history of this topic. He also asked that this document be posted on the website for public accessibility.

EL DORADO HILLS PROFESSIONAL FIREFIGHTERS
IAFF LOCAL 3604

August 16, 2012

President John Hidahl
Board of Directors
El Dorado County Water District
1050 Wilson Boulevard
El Dorado Hills, CA 95762

Dear President Hidahl:

This letter is to inform the Board of Directors that the Local 3604 Union is in support of the Board's proposal to rebuild Station 84.

Sincerely,

Tom Anselmo

Tom Anselmo
President
El Dorado Hills Professional Firefighters – IAFF Local 3604

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THE SACRAMENTO BEE sacbee.com

Viewpoints: Media is wrongly hyping pensions as a cause of city bankruptcies

Special to The Bee

Published Wednesday, Aug. 08, 2012

If there is one thing I have learned in my time on the CalPERS board it's this – a little perspective goes a long way. This is especially true when it comes to the news coverage of CalPERS' recently announced investment returns for last fiscal year and the criticism of pensions in municipal bankruptcies. Let me offer a little perspective.

Last fiscal year, CalPERS earned a 1 percent return on our investments. The news has caused some people, including the media, to claim that the sky is falling and to demand that CalPERS "get real" and lower our investment assumptions. A few people have even personally blamed our investment staff.

The flurry of news and editorials demonstrates a severe misunderstanding of CalPERS' investment strategy. It also mischaracterizes how a single year return will actually affect pension costs for taxpayers. As one astute financial editor put it, the reporting and short-term views of our investment returns is largely what's wrong with our financial industry and the media who breathlessly cover it.

CalPERS is a long-term investor. This concept is either ignored or misinterpreted by many on a regular basis, and is the greatest source of misunderstanding and misinformation about pensions. As a long-term investor, we fully expect a range of possible returns every year.

Occasionally, returns will be negative, and occasionally, returns will be high, like the previous year's 21.7 percent gain.

Historically, CalPERS has regularly outperformed our long-term 7.5 percent goal over a 20-year average. Our 30-year average even exceeds 9 percent.

If the media and our critics insist on looking at returns on a single-year basis they should tell taxpayers the full story – we posted gains not just in excess, but in significant excess of our goal of 7.5 percent 14 times in the past 20 years.

Last year's 1 percent return will be reflected in local government contribution rates two years from now. But, just like when we have large gains, losses are spread over 30 years to ensure employer rates remain as stable and predictable as possible. Any increases due to last year's returns will likely be very small.

A similar lack of perspective exists over the reporting of recent bankruptcy filings, including Stockton and San Bernardino. Fiscal challenges facing our cities and counties are difficult and worrisome for everyone involved. But pensions, generally, are not the problem. The real culprit is the economy and housing market, along with financial decisions made by city officials.

For example, Stockton borrowed heavily to build a new city hall, a sports and entertainment facility, baseball park and marina. San Bernardino lost major employers when the Kaiser steel plant and Norton Air Force Base closed. Both cities are among the top five housing foreclosure cities in the nation, resulting in high unemployment and reduced consumer spending and sales taxes.

It's true that total employee compensation is the biggest expense for cities, often 70 percent to 80 percent of city budgets. That being said, budgets are built with those employee costs in mind. Budgets are not built around being in the top five foreclosure cities in the nation.

Pension costs are a small piece of the budget. Stockton's pension costs are only about 6 percent of the total city budget. In San Bernardino, pension costs account for 10 percent of the total city budget.

The bottom line is that it's not fair to scapegoat public employees and pensions for the financial woes of our cities or of our entire state for that matter.

When it comes to pensions, the media and our critics should try a little honest perspective. It goes a long way.

Rob Feckner is president of the CalPERS board of administration.

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THE SACRAMENTO BEE sacbee.com

Viewpoints: Cities can stave off bankruptcies by pre-funding worker benefits

Special to The Bee

Published Wednesday, Aug. 08, 2012

In Aesop's fable, an ant and a grasshopper take two different approaches to confronting the coming winter. While the ant works to gather food for the coming months, the grasshopper idles away the summer.

Months later, the ant that planned and saved for his future easily survives the winter. The grasshopper that set aside nothing struggles to make ends meet.

The fable's implications about preparing for the future are clear to us on a personal level, so why do we not hold our state and local governments to the same standard?

Take Stockton for example. In the years preceding its recent bankruptcy declaration, Stockton's budget became increasingly burdened by the long-term benefits it owed to its public employees after their retirement.

These benefits included both pension and other post-employment benefits (OPEBs), which mainly comprise retiree health care.

As California Common Sense illustrated in its recent report, "How Stockton Went Bust," Stockton's annual OPEB costs increased 12 percent annually between 2004 and 2010, and it paid these costs directly out of its operational budget.

In 2011, Stockton did restructure its OPEBs and slowed the annual cost increase to 7.5 percent annually. Yet even after restructuring, the annual costs in 2012 will be about $15 million, or more than 9 percent of the city's annual operational budget.

Stockton waited until it was too late to act. In all, the city promised its current and future retirees an estimated $544 million in OPEBs, but it had no assets set aside to fund those promises. Stockton, now in bankruptcy court, is planning to revoke its OPEB promises entirely.

If Stockton had saved and invested money in advance to pay for its retirees' health care, or if it had offered more reasonable terms to its employees, it could have protected retiree benefits. Instead, upon filing for bankruptcy protection, those health care benefits were the first obligations to go.

Health care costs are growing at three times the rate of inflation nationally, and California's state employee OPEB costs have doubled twice in the past decade. This increase makes it especially important for cities and the state to deal with the issue now, either by setting aside funds, or by adjusting contribution or benefits terms for new government employee hires.

Local governments have been trying to reduce or even revoke their *existing* OPEB promises in San Diego, Orange County, and now Stockton.

But employees facing revocation of their benefits are challenging these moves in court.

With mixed results, the governments have argued that the benefits are not "vested," or guaranteed. In San Diego, the ruling was that OPEBs are not vested. In the Orange County case, the California Supreme Court ruled that they may be.

Other major cities are actually taking steps to pre-fund their future OPEB obligations.

In its recent financial analysis of California's 20 largest cities and the state of California, California Common Sense found that nine of the cities have established trusts to save money for future benefits now.

However, 11 of the cities and the state continue to pay these benefits from their operational budgets on a pay-as-you-go basis (only covering costs as they come).

Sacramento is one of these cities. Although its annual benefit cost growth has been modest, it could nevertheless save over $100 million over the next several decades if the city moves toward pre-funding those benefits.

As OPEB costs grow, they will continue to squeeze out spending in other portions of the budget, such as infrastructure, education and other essential services.

Indeed, San Francisco is already devoting 6 percent of its general fund budget to annual OPEB costs, up from 4 percent in 2008. The city is facing a total $4.4 billion in OPEB promises, a number that continues to grow under its pay-as-you-go system.

But as California Common Sense's report points out, if San Francisco were to switch to a pre-funding plan, it might pay $1.67 billion less in the long run.

Pre-funding contributes to a long-term reduction in annual OPEB costs because investment returns make up for funds a government would otherwise spend on OPEBs directly each year.

But investment returns are not guaranteed. For that reason, the true value of pre-funding is that it ensures that sufficient funding is actually available to provide these promised benefits to retirees in the future.

Pre-funding OPEB obligations will not eliminate all of the uncertainty surrounding the growing cost of retiree benefits, but, surely in this situation, California's governments should strive to be the proverbial ants, not the grasshoppers.

Read the California Common Sense report at http://cacs.org/ca/article/41.

Mike Polyakov is research director for California Common Sense, a nonpartisan nonprofit founded by Stanford students and alumni.

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