

California Fire Safe Council
BOARD OF DIRECTORS OPEN SESSION
MINUTES
November 7, 2018 1:00 –3:30
* * Teleconference * *

Directors present on the call included:

D. Bischel	L. Blaul	J. Davies	N. Fisher
P. Frost	R. Grijalva	D. Horne	P. Kidder
R. Roper(lost contact)	D. Shew	T. Whitman	

Directors missing on the call:

K. Dargan	E. Mertens	J. Lopez
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The meeting was opened by Chair, Jerry Davies.

The first order of business was the review of the minutes of the September 13, open session. The chair asked if there were any changes or modifications. Hearing none, Pat Kidder moved to accept the minutes as written, seconded by Dave Shew. All in favor- Unanimous(Niel Fischer abstained as he was not present).

Chair Topics – J. Davies

The chair gave a quick re-cap of the successful Farmers events thus far for 2018. Farmers looked for large venues to set up the bus and allow agents to meet the public. This resulted in selecting to appear at three county fairs: San Diego, Ventura, and Sonoma. He commented that the Ventura fair outdoor bus location was poor, but that the booths for the Ventura FSC, USFS, Ventura County and City Fire agencies were moved inside to the Agricultural Building and that was attended. Also, a special Farmers booth was set up at the entrance of the fair for two days and agents were very pleased. The San Diego Fair bus location and booths were excellent—big crowds at San Diego FSC, USFS, San Diego RCD, Cal Fire, CFSC and Farmers. He remarked that the Sonoma Fair was the best of the three with thousands of people visiting the Farmers bus, Farmers booths, Mayacamas FSC, Sonoma Co. FSC, USFS, and the Insurance Industry Institute (III) booths.

Jerry indicated that all expenses and activities for Farmers for 2018 are now completed, and that there is \$36,000 left in the budget. He will try to obtain another \$100,000 for 2019 and include that with the \$36,000 with a 2019 budget to be determined probably in February with Farmers. Jerry warned that he will be especially vigilant in agreeing to events and projects next year because the current Farmers team is increasingly focused on large venues allowing more marketing activity at events, which can include CFSC, fire agencies, and FSCs, but it will be less emphasis on individual community fire prevention events.

Jerry reported that State Farm had given \$53,000 to fund enabling new fire safe councils. A recognition and kick-off event was held for the new Mayacamas FSC in Glen Ellen at the CAL FIRE station. Two representatives from State Farm attended and one spoke, congratulating the new council. There was press and radio coverage of the event. Stephen reported that their community risk assessment has been completed and all members of their board received a workbook/binder containing the results and some 17 recommended projects. Next step is a prioritization of the projects and the completion of a CWPP. Stephen reported that after some normal program start-up costs, each of these new council projects will cost \$10,000-\$12,000, allowing for probably 3 or 4 more undertakings with the current funding. Stephen also reported that he had spent the weekend in the town of Three Rivers (near Visalia & the Sequoia park). One of our grant specialists: Elizabeth LaMar lives there. She pulled together a community meeting of about 30 people, and Stephen presented what Fire Safe Councils do, and explained that we have some funding from State Farm and encouraged their community to apply. No decision has been reached as to the method for choosing the next candidate.

3rd Quarter Financial Statements - D. Horne, Treasurer

The Treasurer briefly reviewed the 3rd Quarter Financial Statements from our accountant/CPA. His comments included:

- The savings account now contains the (as yet untapped) \$250,000 grant from Southern California Edison.
- Expenses overall are up slightly, largely due to increased employee participation in the CFSC Health Benefit. He opined that this is a good, reasonable expenditure for promoting employee satisfaction.

- The expenses for the web site are also up somewhat due to increased volume of notifications and some software costs.
- Supplies are down now that both sites have stabilized.
- He also noted that we have begun fully accounting for Farmers funds.

Stephen made two points: namely that some of the web costs are actually funded by Farmers. He also stated that the three private donations: Farmers, State Farm and Edison are now being treated exactly as any federal grant from an accounting perspective. He suggested that the Board review the last three pages in the 3rd Qtr financials – pp 28, 29, 30 to see these three accounts. (All available in the meeting folder in the cloud).

A motion was made by Pat Kidder to approve the 3rd Qtr financials, Ruben Grijalva seconded, all in favor – Unanimous.

Executive Director Topics – S. Gort:

Stephen briefly referred to the 3rd Qtr CFSC annual budget (also on the cloud) indicating that as the report is for the third quarter, we would ideally have received 75% of the expected income and spent 75% of the planned expenses. He stated that both actuals are a bit low, with income at about 65% but that expenses are also low at about 60%. As this is a new methodology, being about 10% low is not particularly concerning.

The next topic discussed was proposed changes to the Financial Procedures Manual, the first being caused by a modification to the OMB changes to the Simplified Acquisition Thresholds¹.

1. Stephen suggested revising the CFSC required solicitation of quotations to:
 - All purchases of \$10,000 or less may be made by without solicitation of bids.
 - All purchases in excess of \$10,000, but less than \$100,000 shall be made by soliciting oral or written bids from at least two (2) responsible vendors.
 - All purchases of \$100,000 or more shall be made by soliciting competitive proposals (see below) from at least three (3) responsible vendors. Sealed bids shall be utilized when required by the federal awarding agency.
 - He noted that these thresholds are somewhat more conservative than the new OMB guidance provides, but that he believed these to be reasonable for CFSC operations.

¹ Previous OMB Thresholds were: no bid requirement for amounts less than \$5,000, this was changed to amounts less than \$10,000. The upper limit for formal 3 bid procurement was for amounts exceeding \$150,000, this was changed to amounts over \$250,000. Any amount between \$10,000 and \$250,000 only requires obtaining two estimates, informally from prospective providers.

2. The second recommended change was to include in future sub-award contract letters, the need for parties to agree to Mediation and Mandatory Arbitration of Disputes. This change is meant to protect both CFSC and Sub-Grantees from the potentially significant costs of court litigation. Neither organization has the funds for such costs. The suggested verbiage was provided by our attorneys at Wilkes, Fluery. After extensive discussion, it was agreed to table this change until the in-person Board Meeting in December. (It was noted that a cost clause was needed for the Arbitration paragraph).
3. The third recommended change to the Procedures is the inclusion of a process which describes the potential use of “Administrative Offsets” to reduce or remove debt incurred by sub-grantees who have had some costs disallowed. Several Federal regulations address methods of handling of debts owed on federal government grants including 32 CFR 22.820, 31 USC §3716 and 2 CFR 200.345(1). These regulations are the basis for our Administrative Offset procedure (which has been approved by our audit firm). It includes this sequence:
 - a) The party has been told the amount that has been disallowed and the reason for the disallowance.
 - b) The party has been formally notified that the disallowance constitutes a debt.
 - c) The party has been given 90 days within which to provide reimbursement.
 - d) If the party does not pay the debt, then the party has been notified of the intent to invoke Administrative Offset.
 - e) The party has been given a reasonable amount of time to respond. (30 days).
 - f) The party is given access to CFSC files pertaining to the issue, if requested.
 - g) If the party with the obligation requests a review, then one is given. (Mediation and Dispute Arbitration)

- h) If the party has not responded or has refused to accept the obligation, then formal notice is given that Administrative Offset will be used.
 - i) If the party still does not pay the debt, other options permitted by Federal statute may be exercised.ii
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ii § 200.345 Collection of amounts due. (a) Any funds paid to the non-Federal entity in excess of the amount to which the non-Federal entity is finally determined to be entitled under the terms of the Federal award constitute a debt to the Federal government. If not paid within 90 calendar days after demand, the Federal awarding agency may reduce the debt by:

- (1) Making an administrative offset against other requests for reimbursements;
- (2) Withholding advance payments otherwise due to the non-Federal entity; or
- (3) Other action permitted by Federal statute.

At the conclusion of this presentation, a motion was made by David Horne to approve the new Procedures for Procurement and for Administrative Offset. Motion was seconded by David Shew. All in favor – Unanimous. The topic of Mediation of Disputes and Arbitration of Disputes were tabled until the December 11-12 Board Meeting.

A motion was made by Niel Fisher to move to closed session, Pat Frost seconded, All in favor-Unanimous.

At 3:10 the Board returned from the closed session.

Chair Jerry Davies noted that in closed session the Board considered the following topics:

- CFSC Competency documentation---adopted.
- The Washington Flyer—adopted with edits offered during discussion.
- Letters to Randy Moore, CA USFS; Jerry Perez, BLM, CA.; Head of USFS, Washington, Head of BLM, Washington, Secretary Zinke, Interior, Sonny Perdue, USDA Director and other various Federal Department heads. Jerry and Stephen will set face-to-face meetings with Randy Moore and Jerry Perez (before or right after Thanksgiving, to deliver their letters and explain our campaign.
- Discussed meetings with CA Senators (Pelosi, Feinstein) after mid-term election settles.
- Stephen has a meeting set to meet with the Congressional representative from Sen. D. Feinstein's office.
- Identifying California congress men and women likely to be on important committees.
- Planning for a recognition/fundraising dinner in February, early March, 2019. Invite all supporters of CFSC, plus an invited guest list. Possibly ask D. Feinstein as a guest speaker or other well-known person. Perhaps hold a silent auction before the dinner. Present awards to key supporters of CFSC, i.e. Farmers, State Farm, USFS, BLM, and others. To be discussed at Dec. Bd. Meeting.
- Washington D.C. trip was discussed and board discussed importance of another D.C. trip in early 2019, after committee chairs are announced and settled. Jerry discussed visiting more than CA Delegation, plus OMB.
- Possibly expanding the December meeting to include some FSC representation.

New Business:

Neil Fisher asked the Board's indulgence in ignoring his previous statement to discontinue his directorship as a member of CFSC Board. His workload has moderated to a degree, and his employer is supportive of his continued participation at the CFSC. He would be most glad to continue. The Board appreciated his interest and accepted his re-entry.

There being no further business and the hour growing late, Dave Shew made a motion to close the 11/7 Board meeting, seconded by Laura Blaul. All in favor – Unanimous.