



**California Fire Safe Council**  
**BOARD OF DIRECTORS MEETING**  
**OPEN SESSION MINUTES**  
**December 10, 2019 10:02am – 4:45pm**

Those Present: Ruben Grijalva, Bob Roper, Kate Dargan, Jerry Davies, David Horne, Pat Frost, Pat Kidder, Frank Stewart, Ed Mertens, Laura Blaul, Troy Whitman

Staff: Amber Gardner, Larry Davis

**Ruben Grijalva opened the meeting at 10:02am**

**1. Consent Calendar – None**

**10:05am: Motion by Jerry Davies to move into Closed Session, second by Pat Kidder, unanimous approval**

**11:10am: Motion by David Shew to close Closed Session and return to Open Session, second by David Horne, unanimous approval.**

Ruben Grijalva reported on Closed Session: Board discussed contract with Tracy Katelman and provided an update on a claim by another employee

**1. Minutes**

- **Motion by Pat Kidder to approve the November 6 Open Session meeting, second by Pat Frost, unanimously approval**

Kay Sohl, Frank Perez and Bethany joined by phone at this point

**2. Report from Finance Committee - David Horne**

- CPA Financial Statements - David explained anomalies:
  - Contract Labor higher due to temp staff brought in for various projects and tasks
  - Accounting Fee higher due to IDC discussions/workload
  - Consulting Fee higher due to HR investigation
  - Legal higher due to HR investigation; negative in 3<sup>rd</sup> quarter due to accounting error
  - Website expense due to restructure of site
  - Supplies – higher due to new laptops
  - Postage – shipping boxes of brochures
  - Rent – more space in McCullen was acquired as it became available to accommodate future hires
- Kate asked if possible to apply new rate to applicable grants in previous quarters
  - CPA (Norm) question

- Some concern with Norm’s final paragraph was voiced

**Motion by Pat Kidder to approve Financial Statement, second by Pat Frost, unanimous approval**

**3. Report from Executive Committee – Ruben Grijalva**

- Minutes of 11/18/19 and 12/2/19 were provided – no questions
- Kate asked about steps for hiring ED
  - Ruben reported it was stalled as difficult to get meeting with Exec Committee during holidays
  - Pat Frost waiting for feedback on job description
    - ✓ He distributed description and requested feedback by tomorrow so he can begin recruitment with Personnel Committee and Kay Soul

**4. Report from Interim Executive Director**

- IDC – Larry Davis
  - See staff report
  - Larry acknowledged work by staff, Norm, Kay Sohl, and Frank Perez to come to agreement on IDC relative to grants
  - Initially, a provisional rate is provided by Feds with “true-up” at end of year so rate changes; best to discuss rate in terms of a decision’s negative or positive impact on IDC rate
  - Reduction from 39.7% to close to 20% by redefining some indirect costs as direct
    - ✓ Norm stated he was not part of this process
    - ✓ He stated increasing program volume (denominator) decreases rate if administrative costs don’t go up
      - E.g., RFFC grant may drop rate from 40% to 30%
  - Ongoing negotiation with true-up by end of our calendar year
    - ✓ Changes presented can be applied to other quarters of current year?
    - ✓ Norm stated the 40% rate should be applied to all quarters
  - Laura asked if rate is still 40% and Norm stated 40% is correct
  - Larry pointed out that most grants to date have been Federal with 40% IDC
    - ✓ Taking on State grants reduces rate if admin costs cut
    - ✓ We submitted a request to USFS to include 100% of sub-awards rather than basing on first 25%, which would reduce rate to 20% making state grants more feasible (Larry stated he disagreed with the letter as the Fed IDC calculation is mandated by legislation)
  - Larry recommends accepting RFFC grant as risk is minimal if Board raises additional unrestricted funds – cost is difference between 20% and 40% IDC or cut administrative costs
    - ✓ Norm uncomfortable accepting
    - ✓ Acceptance could drop rate by 10% (to 30%) if no increase in overhead but still need 10%
  - Ruben suggested asking private grantors to consider unrestricted donations rather than grants
  - Kate suggested seeking grant sponsors for 10% of the grant amount

- ✓ Norm agreed need additional 10% if take a 20% state/private grant
- Larry recommends returning Cal Volunteer grant funds as reimbursement only
  - ✓ Norm stated less than \$4k spent to date
  - ✓ To make viable, grantor would need to agree to advance funds and increase indirect from 5% to 20%
- Norm stated budget needs more work before conclusions can be drawn
- Kate asked about impact of Cal Fire grants and positive impact on IDC

**Laura Blaul made a motion to accept staff recommendation to return Cal Volunteer grant unless grantor agrees to advance funds and increase indirect from 5% to 20% AND accept RFFC grant and seek sponsors for 10% of grant amount, second by Bob Roper, Discussion:**

- David stated attempts to secure line of credit for Cal Volunteer grant failed as no collateral
- Bob stated accepting grants with 10% difference is a risk and should be recognized
- Pat Kidder expressed concern about risk
- Ruben Grijalva stated disappointed in staff work that didn't explain 5% indirect rate on Cal Volunteer grant prior to acceptance and requested more complete information in future

**Motion carried with one opposed (Pat Kidder)**

- Budget – Larry Davis and Frank Perez
  - Larry distributed budget package
  - Larry pointed out this is a new tool staff will use to develop budget
    - ✓ Actual budget was rushed and still needs fine tuning
    - ✓ In future, budget process will begin with staff workshop for budget detail
  - Ruben pointed out a budget is a plan and will change; major changes need to be brought to Board and not made by ED only
  - Frank walked through proposed budget and process
    - ✓ Budget workbooks for each grant
    - ✓ Payroll workbook breaking out program vs admin time for each staff member
    - ✓ Calculate IDC - sub award timing and identification of which exceed \$25k
    - ✓ Apply IDC to all grants
    - ✓ Determine deficient and how much is actual vs how much is recorded in previous years
    - ✓ Budget does not include balance sheet (no prior year costs)
  - Frank discussed revenue
    - ✓ 75% federal & 25% State (will change if CA Volunteer returned) – big change
    - ✓ Tough estimating due to timing of sub award expenses
  - Frank discussed expenses
    - ✓ COA 1.66%; Several anticipated staff members not included (RCs are included)
    - ✓ 55% sub awards
    - ✓ 20% contract labor
    - ✓ 17% Salary & Benefits
    - ✓ 8% Office/software/Travel

- IDC: 40% to 20% but higher if Cal Volunteers returned
- Overall: Need \$86k to cover IDC deficient for CA Volunteer
- David questioned why our % of budget in sub awards to organizations changed from 75%/85% to 55%
  - ✓ Norm stated budget not yet accurate
  - ✓ He also pointed out if we begin to fund more CFSC program work than FSC/Partner work the ratio will change
- Kate asked about the impact of majority of grants state/private
  - ✓ Norm stated State would follow Fed rules with a cap
  - ✓ However, it would increase denominator to improve IDC (can't include sub awards in denominator but can include CFSC programmatic work)
  - ✓ He was unsure if bound to 25% cap with state funds for IDC calculation – Kay stated need to use Fed calc
- Kay stated changing grant ratio to more state/private will generally have a positive impact on IDC
- Staff recommendation to adopt staff make edits and bring back revisions as

**Pat Frost moved to accept staff recommendation to approve budget with pending edits and return to Board with future edits, second by Jerry Davis, Discussion:**

- Kate stated \$233k from unreturned grant funds should go against deficient and put us in surplus if the agencies allow us to keep those funds
- David stated budget is actually \$4,229,430 rather than \$5.6MM due to vote to return of CA Volunteer grant

**Budget was unanimously approved**

- Clearinghouse Updates/Staff Report – Amber Gardner reported
  - 18 SFA
    - ✓ All but one will close by end of December
    - ✓ \$340,000 of unused funding reallocated to other 7 other sub grantees
  - 19SFA
    - ✓ In quarter 3 or 4 with no anticipated delays
    - ✓ New RPF working well with sub grantees
  - 16 BLM projects
  - 20 SFA opens March or April - \$1.4MM available
  - 2021 SFA announced at \$2MM
    - ✓ **Our application must be in by Feb 7 deadline**
  - Edison 2018 (\$250k)
    - ✓ Overspent by \$81k (\$25K for salaries and \$189k in sub awards and other smaller expenses plus IDC rate)
    - ✓ Pending option to post some of 2018 costs to 2019
    - ✓ **Need to determine what happened and how to prevent in future**
    - ✓ **Need to identify if expenses were allowable under grant – Amber will have Norm and Bethany investigate and Larry will report back next meeting**
  - Edison 2019 (\$500k) – programmatic work pending

- BLM may have \$1MM for us in 2020
  - ✓ Amber will bring back staff report with details
- Pat Frost and Amber began work on ad hoc Clearinghouse Committee
  - Two meetings with all staff
  - Developed survey for sub awardees based on 4 parts of process
  - Goal is to receive feedback before 2020 cycle begins in order to incorporate suggested changes
- Staffing Update
  - Thelma resigned as of 12/3
  - Two grant specialists remain with 67 open grants
  - One of the specialists offered the Lead RC position (Elizabeth)
    - ✓ Recruitment resulted in one interview and candidate was excellent
    - ✓ Need to open new recruitment to fill two new vacancies
  - Elizabeth is expecting return rights to grant position after 3-year grant funded RC position ends
    - ✓ We have no policy on this
    - ✓ Hire “limited term” behind them?
    - ✓ Only if position available?

**David Shew made a motion to stating a current employee accepting a new position has a right to return to former position/salary, based on availability of former position, for up to three years, Discussion:**

- David Horne feels too much too soon and will not support motion
- Pat Frost will add to HR policy

**Motion carried with two opposed (Horne and Mertens)**

- Kate asked if the RC positions are restricted from teleworking
  - Pat Frost answered position written that they would work at remote office in their region (not from home)
  - Kate suggested Elizabeth and new grant specialists should work from office only
- She also questioned grant specialist salary - CAL Fire pays \$60-70k for specialists; CFSC salary is less and may need to review and make comparable
  - Larry will check to see if on Dee’s list to explore
  - Larry has experience hiring grant specialists and may get new graduates or state retirees

**Kate moved that the telework policy be rescinded for all positions hired after today, second by Pat Kidder, Discussion:**

- Applies to current employees accepting new position, except RCs working in regional offices
  - Sierra Region reports to Sacramento office
- Bob Roper cautioned that ED should have all tools necessary to hire and manage staff and Board shouldn’t restrict
- Ed Mertens agreed that the younger employees work differently
- Ruben questioned what other non-profits are doing and are we competitive
  - He also stated it’s a concern if staff can’t be reached
- Pat Frost asked what we gain by having staff in office 40 hours

- Kate spoke to motion in terms of current organizational status and required culture to move forward

**Motion passed with two opposed (Frost and Mertens)**

- Larry mentioned need to review Amber's duties relative to involvement in non-Federal grants against job description

5. Staff Freeze – Bob Roper summarized pending grant status and attached positions

- Board is releasing hold on hiring RCs and Outreach Coordinator as RFFC grant approved
- SCE Wildfire Action grant moving forward
- CA Volunteers returned unless grantor meets conditions

6. Strategic Planning – Bob Roper (see PowerPoint)

- Introduction – Expectations & Challenges
- Review Vision/Mission
- Survey Tools
- Organizational priorities
- Board Development
- Opportunities for BOD

Action Items

- By-laws changes
- Handbook changes
- Ad Hoc group – Business Continuity Plan
- Board & Committee changes
- Strategic Plan
- Other?

**Bob asked if Board would like him to kick-start process by creating a document for editing – resounding YES**

- Some Board requests:
  - More Board involvement with local FSCs
    - Board members representing geography of CA
  - Flexible organization that meets changing needs (bylaws, policies, etc)
  - Firewise & CFSC interaction/coordination
  - Show location and results of work efforts/grants – map
- Bob will send PowerPoints to BOD for review, pondering, and comment – send comments to him

7. Good of the Order

- Pat Kidder would like to discuss Regional Coordinator positions at next meeting
- Frank thanked Bob Roper for writing up/nominating Butte County FSC for 2020 Wildfire Mitigation Award
- Save May 6, 7, 8 for Leg Day/Award Dinner & Board Meeting

- David Shew and Kate will co-lead
- Kate reported on meeting with CAL FIRE to discuss inter-agency agreement to accept \$6MM for county coordinators for 56 counties – **discuss at future meeting**

8. Future Meetings

- Jan 27 Sacramento
- Feb 12 Sacramento
- March 23 Conf Call, 1-3pm
- April 15 Conf Call, 1-3pm
- May 6-8 6<sup>th</sup> Board meeting, 7<sup>th</sup> Leg Day/dinner, 8<sup>th</sup> debrief

**Ruben Grijalva made a motion to adjourn, second by Laura Blaul, meeting was adjourned at 4:45pm**