

California Fire Safe Council
BOARD OF DIRECTORS MEETING
Public Session
March 27, 2018
Click Meeting – Teleconference

Board Members Present:

Jerry Davies
Troy Whitman
Kate Dargan
J. Lopez
Neil Fischer
David Horne
Pat Frost

Board Members Absent:

Pat Kidder
Dave Bischel

Staff Present:

Stephen Gort
Bethany Perez

Call to Order:

Jerry Davies called the meeting to order at 9:42 AM.

Approval of Minutes: - J. Davies

Jerry Davies asked if there were any revisions to the January 31, 2018 CFSC Board Meeting Minutes. There were none. Jerry then asked for someone to make a motion to approve the meeting minutes. Kate Dargan made a motion to approve the January 31, 2018 CFSC Board Meeting Minutes and Jay Lopez seconded that motion. **The motion carried unanimously and the January 31, 2018 CFSC Board Meeting Minutes were approved.**

Chair Topics – J. Davies

Jerry announced that he received a check yesterday from Farmers Insurance for \$110,000. The grant is intended for the sponsorship of CFSC's participation in the following events:

1. San Diego County Fair is June 22, 23 & 24. We need volunteers to man the booth. Anyone can join us and we will have more info as we move along. JD will be working with Steve and Bethany. SCFD is invited to join us
2. Ventura County August 3-5th. Local FSC's are welcome to join us. We will staff booth – full sponsorship, VCFD
3. LA County Fair – Booth manned by US Forest Service - Sean Wolf, Sept 7, 8 & 9

All fairs have in excess of 600K people attending over the weekend. Other agencies are invited to join us. We will invite homeowners. There will be a special section for CFSC located near the entrance to each of the 3 fairs. Farmers will do all of the set-up. Stephen Gort asked if the cost of travel would be covered if directors or staff were to assist with the events. Jerry replied in the affirmative and that the expenses would be charged against the Farmer's grant.

Troy requested that Jerry put a one-page event flyer together for us to promote the events. Jerry agreed and said he would send it out to everyone when it's ready for distribution.

J. Lopez had questions about the coordination of multiple agencies and whether or not the Forest Service was part of the committee involved in regards to deciding who would have booths at their LA County Fair. J and Jerry agreed to work together to get some clarity on said issues. Jerry mentioned Sean Wolf (FS contact) and America's Great Outdoors. J. said he would put Jerry in touch with LA Sheriff to help with the tickets and parking. Jerry stated that each fair contact said we could have as many people as we want, FSC's, homeowners, etc. This is a good opportunity for widespread branding for CFSC.

State Farm, USAA and AAA Updates

Fire Updates:

- Thomas Fire
- Sonoma-Santa Rosa
- Homeowners
- Business owners
- Property Owners update

Hot Topic – the 10 insurance companies that work these areas the most are now working the claims and are finding a lot of underinsurance meaning the policy will not pay for full value for the build.

All of insurance companies are under fire. Tomorrow there is a huge hearing in Santa Barbara with Amy Bach, of United Policy Holders. They work with homeowners getting insurance companies to pay full share. There will be a huge tax loss because of people not rebuilding. This is also happening in Northern CA. In Santa Rosa there has been a lot of negative press regarding insurance companies and many town hall meetings. Rebuilding is going slowly and about 60% appear to be underinsured. It's a long process and the cost of building materials have gone up. Jerry has talked to all of the insurance companies about it and wants to do a press release.

Jerry also stated he would like to coordinate with Stephen G and the Board to work with an agency in Tampa – The Insurance Institute for Business and Home Safety and Dr. Steven Quarles. The idea would be to promote the work of IIBHS by using efficient and fire-resistant materials to rebuild and to do retrofitting to help mitigate any type of disaster, especially wildfires. We will see if we could use Farmers and/or State Farm money to do this? IIBHS would help fund also. Farmers has been paying policy holders 100% without an itemized list of lost assets, others insurers have been paying out 50%. With approximately 12 billion in claims from the fall fires, it's almost a guarantee that consumers will be dealing with rate increases and non-renewals. It was agreed we should lay low for a few more months before pursuing IIBHS. Also, when consumers buy insurance in the future, they can't rely on value of their current home. Instead, they need to find out what it would cost per square foot to rebuild their home in their community. Great opportunity for CFSC to help with rebuilding, retrofitting, upgrading information to homeowners.

- April 14th –Fire Preparedness. Town hall meetings everywhere. We can be a part of, work with Trade Associations.
- JD – will send out info to anyone who wants. Questions? Comments?

Kate Dargan commented that she is familiar with the issue and the proposed legislation - many requiring insurance commissioner to do things. It's a complex and controversial issue and will be going on for years. She added that we are a consumer advocacy group but we don't want to be seen as representing **any** insurance company. We represent what is good for the communities. It's safe for us to make recommendations for homeowners, but we are not advocates for any particular insurance companies.

Jerry Davies agreed and said he hopes we can encourage homeowners through providing information to rebuild with fire retardant and disaster retardant materials. He added there are currently 21 bills in legislature related to this issue.

Financial Topics (David Horne)

- **Fourth Quarter Financial Statements and Year-end Statements**

David Horne reviewed the Fourth Quarter Financial Statements and Year-end statements. He said the statements are pretty straight forward and it's evident that we are down somewhat in funds. This is due to a smaller grant flow and extra money being paid out in accounting fees for which we are still trying to get reimbursed. He asked if anyone had any questions or comments. There were none so David asked to entertain a motion to accept the financial statements. Pat Frost made a motion to accept the Fourth Quarter Financial Statements and Year-end Statements. Troy Whitman seconded the motion. The motion passed unanimously. **The Fourth Quarter Financial Statements and Year-end Statements were approved.**

- **2017 Audit**

David went over the 2017 Audit wrap-up. There was a conference call with auditors and the Finance Committee – Neil Fischer also joined the call. The audit report was reviewed page by page and there were NO findings. There were some small recommendations which are already in the process of implementation. A copy of the report sent off to the Forest Service and we are hopefully top of pile for getting our 2017 IDC approved. Thanks to the CFSC staff and Norm for the extra effort required to complete this audit so early in the year. We will post the audit results on our website.

- **Wells Fargo Credit line Increase Status**

David stated that we have not done anything yet on the WF credit line increase. We know we have approval but have not acted on it yet and would prefer not to pursue it unless things change and we anticipate needing the extra cushion. David asked if there were any questions or comments. There were none.

- **Credit Union Options for 501(c)(3)s**

David had a long conversation with the contact J. Lopez gave him. We cannot obtain a stand-alone line of credit from the credit union. They would require that we do all of our banking with them to be considered. J. Lopez stated that the F&A Federal Credit Union Board is looking at opening it up and he will keep us abreast if anything changes in regards to requirements.

- **Non-Federal Donations**

Stephen Gort made two suggestions for non-federal donations.

1. Add a place on the CFSC website for direct donations. He has spoken with a technical person and Yvonne at Well Fargo and it would be fairly easy to set up. Also, PayPal has a great service and a lower rate for 501C (3) organizations. This would make it easier for all donors to contribute.

2. For the insurance grants (Farmer's, State Farm, PCI), it would be prudent to have a third bank account to sequester private money so it's not subject to our cash flow problem. Events and FSC founding projects require real money and generate real bills that require timely payment. Norm said that due to his use of fund accounting methods, it would not be a problem to keep the funds all in one checking account. He believed it would be unnecessary to manage separate bank account. It is more a concern about availability of real cash on hand to cover expenses.

David Horne stated that we will deposit the insurance grant funds in an existing, largely un-used account and then make the necessary transfers for expenses related to those grants. He did not want to go back to the old way of opening a new bank account for every grant. All agreed this would be a good thing to do.

Executive Director Items (Stephen Gort)

- **New FSC Enabling – State Farm**

Stephen gave the background/recap about \$53K grant CFSC received from State Farm to create new Fire Safe Councils. He explained how he would use his model from NAPA. The Mayacamas region is on the eastern boundary of Sonoma County. These folks had some severe fires and they have no active emergency notification system. The Mayacamas FSC would be a decent size FSC and would protect about 180 homes and 30-40 undeveloped properties. Stephen has met with group of willing participants and has also recruited Carol Rice to speak at the workshops about defensible space. She is a forester and

Napa has also utilized her to do community risk assessments. There is a Home Ignition Zone Workshop scheduled for Sunday May 6th and the local fire department will be involved.

The budget for creating new FSC's is about \$10K each. The majority of the cost is for community risk assessments, and CWPP consulting. Jerry stated that State Farm is in some turmoil, going through a geographical reorganization. They are going back into regional offices (ours went from Sacramento to Arizona) and we no longer have an assigned person for State Farm. We do have other interested parties but we are not going to start with any more FSCs until we have State Farm sorted out. Jerry said he is trying to get State Farm to be at May 5th meeting and possible agree to do some joint press releases as a sponsor. This could open the door for future grants.

Stephen asked if there were any questions on his update. Jerry asked if the new FSC is also being encouraged to become a Firewise Community. Stephen replied in the affirmative but they will wait until we have the CWPP and risk assessment in place. Jerry added that CAL FIRE is a big advocate for Firewise Communities and it would be advantageous for them to pursue it.

Jerry stated that Sonoma County is really hurting from post-fire problems. They don't have any FSC to speak of in this area and they could use a lot of help. This would be good visibility for State Farm.

- **Strategic Planning – Data Management Progress**

Stephen extended thanks to Bethany for connecting us with her brother Anthony Reckard. He is a specialist in relational databases and has volunteered to help us get started for free with developing the front-end metrics and data architecture for data management. Stephen and Anthony met and discussed Strategic Plan, PERT Chart, Case Statement and the nuts and bolts of our systems. He came up with several suggestions including Amazon S3, Amazon Redshift and Amazon AWS (relational database). Both Amazon and Microsoft have reduced rate programs for non-profits. We identified 3 critical resources needed to move forward.

(1)Data Architecture, (2) Data Research (3) Data Management. We will need processes and people with skills. Anthony also provided an education curriculum for tech skills and agreed to help us build a "sandbox" with some of the tools and non-critical data. The idea is to build it and start playing with it as the beginning of a data architecture. Stephen asked if there were questions or comments.

Kate Dargan said she is happy to help with this project at any point. She added that she is familiar with all those elements (Amazon, etc.) and could get a proposal together if we would like.

General Discussion

Pat Frost inquired about the status of next grant application for next clearinghouse. Stephen said that we have one in for 2019 funding that is due in 6-8 weeks. The Federal Budget just passed so we should hear something from Wendy soon.

Pat Frost next asked about the status of the 2018 grants and clearinghouse. Stephen replied that we are rolling them out right now. There are a total of three Forest Service grants that amount to approximately \$8 million. Two are the standard SFA type totaling \$6.3 million and an additional \$1.8 million for Tree Mortality counties only. All on our posted on the CFSC website and have also been sent out to our large Mail Chimp group

Director Topics

Neil Fischer provided an update on PG&E Topics. He stated that PG&E had a rough fall and winter due to the aftereffects of the fires, changing infrastructure and construction. There has also been more equipment in the field to manage the vegetation. PG&E won't be providing any funding for CFSC this year, but are working on funding for public workshops, with a focus on outreach within PGE territory. The funding will be somewhere between \$75-100K.

Neil added he will reach out to JD and SG to help formulate the workshops.

Jerry stated it would be a great idea to work with those communities who've lost businesses and homes to the fires.

Adjourn To Closed Session

At 10:45 am Jerry asked for someone to make a motion to adjourn to closed session. J. Lopez made a motion to adjourn to closed session. Pat Frost seconded the motion. The motion passed unanimously. The Board then adjourned to closed session.

Adjourn and Return to Open Session

At 10:55 AM David Horne made a motion to finish the closed session meeting and return to the open session of the meeting. Pat Frost seconded the motion and the meeting adjourned back to open session at 11:01 AM.

Jerry thanked everyone today for a great job at the meeting and asked if anyone had any other discussion or action items from the Open meeting. After some discussion over schedules, it was decided to leave the date for the next Board meeting and the Board candidate interviews on May 16th. The interviews should take about half an hour each and will be staggered. SG will get the applications out to the Nominating Committee today. It's expected that by the next Board meeting in September, the Board will be able to vote on the candidates.

Jerry again asked if there was any more discussion. David Horne made a motion to adjourn the meeting. J. Lopez seconded the motion. The meeting was adjourned at 11:05 AM.