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:
     o Contract Labor higher due to temp staff brought in for various projects and tasks
     o Accounting Fee higher due to IDC discussions/workload
     o Consulting Fee higher due to HR investigation
     o Legal higher due to HR investigation; negative in 3rd quarter due to accounting error
     o Website expense due to restructure of site
     o Supplies – higher due to new laptops
     o Postage – shipping boxes of brochures
     o 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
     o 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
     o Ruben reported it was stalled as difficult to get meeting with Exec Committee during holidays
     o 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
     o See staff report
     o Larry acknowledged work by staff, Norm, Kay Sohl, and Frank Perez to come to agreement on IDC relative to grants
     o 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
     o 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%
     o 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
     o Laura asked if rate is still 40% and Norm stated 40% is correct
     o 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)
     o 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%
     o Ruben suggested asking private grantors to consider unrestricted donations rather than grants
     o 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
  o Two meetings with all staff
  o Developed survey for sub awardees based on 4 parts of process
  o Goal is to receive feedback before 2020 cycle begins in order to incorporate suggested changes

• Staffing Update
  o Thelma resigned as of 12/3
  o Two grant specialists remain with 67 open grants
  o 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
  o 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:
  o David Horne feels too much too soon and will not support motion
  o 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
  o Pat Frost answered position written that they would work at remote office in their region (not from home)
  o 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
  o Larry will check to see if on Dee’s list to explore
  o 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
  o 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
  o 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)

  A. Introduction – Expectations & Challenges
  B. Review Vision/Mission
  C. Survey Tools
  D. Organizational priorities
  E. Board Development
  F. 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:
  o More Board involvement with local FSCs
    ▪ Board members representing geography of CA
  o Flexible organization that meets changing needs (bylaws, policies, etc)
  o Firewise & CFSC interaction/coordination
  o 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
o 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      6th Board meeting, 7th Leg Day/dinner, 8th debrief

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