

**Minutes of a Regular Meeting of the Board of Directors of the Verde Valley Fire District
Meeting Held February 28, 2017**

A Regular meeting of the Verde Valley Fire District Board of Directors was held on February 28, 2017 at 10:00 a.m. at the Verde Valley Fire District Station #31, 2700 E. Godard Road, Cottonwood, Arizona.

Board of Directors:

Don Eberle, Chairman
Ken Bishop, Board Clerk
Linda Quam
Robert Eddingfield
Thomas Rhodes

Staff Present:

Nazih Hazime, Fire Chief
Joe Moore, Deputy Chief/Fire Marshal
Lisa Elliott, Administrative Manager
Karen Maddy, Support
Joyce Driscoll, Administrative Assistant

Others Present: Gary Svider

CALL TO ORDER - The meeting was called to order at 10:00 a.m. by Chairman Eberle.

ROLL CALL – All members were present. A quorum was present.

PLEDGE OF ALLEGIANCE TO THE FLAG – Those present stood and recited the pledge of allegiance to the American flag.

MOMENT OF SILENCE – A moment of silence for firefighters who have lost their lives in the line of duty. A moment of silence was taken for 12 firefighters who lost their lives in the line of duty in the last month.

ORDER OF THE AGENDA – Discussion and consideration of changing the order of the agenda. No changes were made.

MINUTES – Discussion and consideration of the minutes of the meeting scheduled January 24, 2017. Two minor corrections were made to the minutes. Board Clerk Bishop moved to approve the minutes of the January 24, 2017 meeting. Board Member Eddingfield seconded. The motion passed unanimously.

CALL TO THE PUBLIC – None.

FINANCIAL REPORTS – Discussion and consideration of the financial report for the previous month (including ambulance billing). Chief Hazime noted that the District is 58% through its fiscal year and is 18.2% under budget for expenses. Administrative Manager Elliott explained that Yavapai

County cannot close the Clarkdale Fire District accounts due to back taxes still coming in from past years. Chief Hazime stated that a shed at Station 32 was added to insurance and an engine sold as surplus property was removed from coverage. He noted that the District is in-line with last year's tax collection. It was noted that there was a delay in ambulance billing due to a software change.

Administrative Manager Elliott explained a new ambulance billing report that was provided to the Board. Board Clerk Bishop made a motion to approve the Financial Reports. Board Member Quam seconded. Board Member Rhodes asked about a sales tax payment and how vendors are selected. Administrative Manager Elliott stated that on larger purchases three quotes are obtained before making the purchase, for an immediate need, whatever vendor responds the fastest is used. Administrative Manager Elliott explained that the sales tax payment is for sales tax paid on purchases where the vendor does not collect the sales tax. The motion passed unanimously.

CHAIRPERSON'S REPORT – A report from the Chairperson on his activities for the District over the past month. Chairman Eberle stated that the draft minutes of the February 7, 2017 Public Safety Personnel Retirement (PSPRS) Local Board Meeting were included in the Board packet at his request. He stated that he felt it was important for the Board to be informed of matters relating the PSPRS.

BOARD MEMBER REPORTS – Reports from the members of the Board on their activities for the District over the past month. None.

CHIEF'S REPORT – A report from the Fire Chief on current events and his activities for the past month, including, but not limited to: Public relations, meetings and events attended, incident call volume and specific incidents, training and the Community Integrated Paramedicine (CIP) program. Chairman Eberle stated that he asked the Chief and Deputy Chief to submit written reports.

Chief Hazime noted that the incident report provided to the Board has been changed; it now shows responses by station and mutual aid/auto aid given and received. Board Member Rhodes suggested that Deputy Chief/Fire Marshal Moore just be referred to as 'Deputy Chief' who has fire marshal duties. Board Member Rhodes asked if there was a fee for the annual renewal of the Houston Galveston Area Council (HGAC) contract. Chief Hazime replied that there is no annual renewal fee. Board Member Rhodes asked for a copy of the contract. Board Member Rhodes commented that the Chief's report states that HGAC meets state procurement statutes. He asked what state. Chief Hazime confirmed that the HGAC procurement process meets the Arizona procurement statutes.

Board Member Rhodes inquired about a notation in the Chief's report about the pricing received through HGAC for an ambulance not being in the proper format. Chief Hazime stated that they have not heard back from them yet regarding this. He added that if there is a change, the cost will be reduced. Board Member Rhodes inquired about enhancements to base unit pricing. Deputy Chief Moore explained that there is a base unit, and then enhancements to the base unit. Some enhancements are a part of the contract, 'published options' and others are not part of the contract, 'unpublished options'. Unpublished options cannot exceed 25%. Chief Hazime stated that the options on the District's ambulance purchase were published. It was noted that HGAC works similarly to Arizona State Procurement.

Chief Hazime reported that the District hosted a pancake breakfast with the Sedona Verde Valley Firefighter Charities and KC's Family Tae Kwon Do and they raised over \$700.

Board Member Rhodes stated that State Procurement is governmental, a not for profit state agency, not for profit like HGAC.

DEPUTY CHIEF'S REPORT – A report from the Deputy Fire Chief on current events and activities for the past month, including, but not limited to: Permits and inspections. Board Member Eddingfield asked what 'funeral boxes' were, as Deputy Chief Moore mentioned in this written report that he moved them from Station 37 to Central Yavapai Fire and Medical Authority to be put in the Northern Arizona Local Assistance State Team (LAST). Deputy Chief Moore explained that funeral boxes are like 'steps' to aid in the loading and unloading of caskets from fire engines. Deputy Chief Moore reported on some commercial growth occurring in Cornville.

OLD BUSINESS

A. WORKERS' COMPENSATION POOL – Discussion regarding a newly formed workers' compensation pool, the Special District Workers' Compensation Pool, Inc. Administrative Manager Elliott reported that the Special District Workers' Compensation Pool, Inc. issued 13 additional quotes for agencies interested in joining. She stated that at this time they are confident that they will hit the minimum contribution mark they need to make the pool sustainable. She added that for Verde Valley Fire District, she estimates the cost will be \$85,926, as they are charging the same amount that Districts are paying for in the current year. Administrative Manager Elliott stated that the Pool board has discussed charging agencies an additional 10% capitalization fee for the health of the Pool. They anticipate allowing agencies to pay this fee up front or to spread it over 3 years. She noted that their next meeting is later this month. She stated that once the Pool has more commitments from agencies, she will place an item on the Board meeting agenda for the Board to decision whether or not they wish to join the Pool. She stated that she has received next year's Experience Modifier (EMOD) – it is going up from .72 to .74. She stated that the cost for the Special District Workers Comp Pool appears to be in line with what the District would pay with CopperPoint, (as it is based on what the District is paying CopperPoint this year). However, CopperPoint's premium is based on actual wages, so if the District deploys personnel on wildland assignments, this will increase the premium to CopperPoint. If this is the case, she stated, it would cost less to be with the Pool, as they are charging a flat fee. Administrative Manager Elliott stated that in the long term, there is definitely a savings by going to the Pool. It was noted that the District budgeted a much higher amount for workers compensation this year because at the time it was unknown what the EMOD would be with the consolidation. It was noted that the Special District Workers' Compensation Pool, Inc. will be the first fire district pool in the state.

NEW BUSINESS

A. GOHS PROJECT APPLICATIONS – Discussion and possible adoption of Resolution 2017-02 giving approval for the submission of projects to the Governor's Office of Highway Safety (GOHS) for consideration in Arizona's FY2018 Highway Safety Plan and authorizing Fire Chief Nazih Hazime as the appointed agent for the District. Administrative Manager Elliott reported that the District is submitting an application for approximately \$45,000 for extrication and \$10,000 for child car seats. There are no matching funds. Board Member Eddingfield made a

motion to adopt Resolution #2017-02 giving approval for the submission of projects for consideration in Arizona's Federal Fiscal Year 2018 Highway Safety Plan and authorizing Fire Chief Nazih Hazime as the appointed agent for the District. Board Clerk Bishop seconded. It was noted that the car seats are shared with other agencies in the Verde Valley and that the extrication equipment included a pump, cutters, rams, etc. to replace the equipment in the engine serving Clarkdale. Because this was a new need due to the consolidation, this was not listed on the Capital Improvements Plan. It was noted that Clarkdale Fire District received an airbag lift system grant from GOHS in the past. Chief Hazime stated that last year the District requested \$10,000 for car seats and was awarded \$8,000. The motion passed unanimously.

B. FY17-18 BUDGET – Presentation and discussion of the FY2017-2018 budget process, timeline, the budget document format and preliminary budget information. Chief Hazime shared a PowerPoint presentation regarding the following:

- The tentative budget timeline.
- A 5.49% increase in Limited Property Value is anticipated.
- It is unknown if the District will receive an increase in Fire District Assistance Tax.
- The health insurance premium will increase 4%, there is no increase for dental, life or vision insurance.
- The EMOD for workers' compensation insurance increased from .72 to .74.
- Public Safety Personnel Retirement System (PSPRS) contributions will increase 6.21%.
- Arizona State Retirement System (ASRS) contributions will increase .02%
- The format of the budget document.
- Operating transfers.
- Long-term planning.
- The Budget Committee, which consists of the fire chief, the administrative manager and two board members.

C. BUDGET COMMITTEE APPOINTMENT – Discussion and possible appointment of two (2) Board Members to the FY2017-2018 Budget Committee. Board Clerk Bishop moved to appoint Chairman Eberle and Board Member Eddingfield to the Budget Committee. Board Member Rhodes seconded. The motion passed unanimously.

D. CAPITAL IMPROVEMENTS PLAN – Discussion regarding the revised Five-Year Capital Improvements Plan. Chief Hazime noted that the Plan shows the refurbishment of an engine; however staff is still reviewing this option. Chairman Eberle inquired about office equipment listed in the Plan - \$35,900 for financial reporting software. Administrative Manager Elliott discussed the need for the new finance software. Discussion followed regarding capital purchase costs for vehicles and funds being transferred to the following fiscal year vs. the Capital Projects Fund. Administrative Manager Elliott explained that funds are scheduled to be set-aside each year for future year purchases. Discussion followed as to how this is shown on the Capital Improvements Plan. Board Member Rhodes expressed his concern with the projected Capital Projects Fund balance at the end of FY2020-2021. Discussion followed that the amount of funds in the account will also depend on whether or not remaining funds from the end of each fiscal year is transferred into the Capital Projects Fund. Discussion followed that in the last two years carry-over funds were not transferred to the Capital Projects Fund.

E. PERFORMANCE EVALUATIONS WAIVER – Discussion and possible approval of waiving a requirement in the Personnel Policy Guidelines Manual in order to extend the end date for 2016 performance evaluations. Board Clerk Bishop made a motion to extend the next performance evaluation for all employees to April 1, 2017. Board Member Eddingfield seconded.

Chief Hazime explained that in August the Board approved extending evaluations until February. He stated that due to personnel continuing to rotate stations and paramedics being in refresher training, staff would like to extend evaluations again, to April 1. He stated that the probation period for personnel from Clarkdale Fire District would end in February. He added that these employees received a 3-month evaluation in September and there are not any issues that would necessitate their probation period being extended again.

Chairman Eberle stated that at the Board meeting in August, 2016, the Board stated that they wanted a salary increase considered for Deputy Chief Moore at his 6 month evaluation. Chief Hazime stated that an evaluation for everyone would be April, if this agenda item is approved by the Board. The motion passed with Board Member Rhodes abstaining and all other members voting in favor.

F. Contract for engineering services – Discussion and possible approval of a revised contract with Shephard Wesnitzer, Inc. for engineering services for a new fire station in Clarkdale. The changes made since the last version of the contract were briefly discussed. Board Member Eddingfield made a motion to approve the revised contract with Shephard Wesnitzer, Inc. in the amount of \$52,500 for civil engineering services, and up to 5 hours of advisory services for the project manager’s use without additional Board approval, for off-site work of the new Clarkdale fire station. Board Clerk Bishop seconded. Chief Hazime stated that the District’s attorney has approved and signed the contract. The motion passed unanimously.

G. Proposed new fire station – Discussion regarding a proposed new fire station in Clarkdale, including, but not limited to, history of the project, construction process and finance options. Chief Hazime gave a PowerPoint presentation that included the following:

- The need for a new fire station in Clarkdale.
- The situation of the current station.
- Approximate size and cost of a new station.
- Possible funding sources (lease-purchase, bonding, loan).
- Challenges regarding the District’s funds (increases in benefits, tax cap, other capital needs, merit increases, etc.).
- Bonding (the process, voter approval needed, bonding capacity of the District, cost, etc.).
- The construction process (two phases, timeframes, costs, etc.).
- The project team (architect, construction manager, general contractor, District representative/team).
- Funding source/timeline (design, public input, requests for proposals, etc.).

Chief Hazime stated that after the civil engineering is completed the next step would be to hire a draftsman for design. Discussion followed regarding the cost of construction. Chief Hazime stated that he is continuing to work on the cost. Discussion followed regarding hiring a draftsman before hiring an architect. It was suggested that architects be asked if they charge less if they are receiving preliminary drawings from a draftsman. It was also suggested that the architect that was used for

Station 32 be used, as the idea is to build a station very similar to Station 32. Discussion followed regarding the process. It was noted that if there is not a cost savings in having a draftsman, then the District should go straight to hiring an architect. Chairman Eberle requested that there be an agenda item at the next meeting regarding a request for qualifications for a draftsman or architect. Discussion followed regarding the need to obtain a better cost estimate for construction and the possibility of paying to have plans drawn-up even if the building cannot be built right away. It was clarified that the Board is directing Staff to determine whether or not a draftsman is a cost savings or not and to have a draft request for qualifications (RFQ) package on the next meeting agenda for the Board to review.

Board Member Quam commented on the presentation saying that she is very uncomfortable with bonding. She added that the District lowered the tax rate for this fiscal year and she does not feel it is right to increase taxes with a bond.

H. FUTURE AGENDA ITEMS – A listing of items to be placed on a future agenda. The following items were listed:

- Information on the most recent Insurance Services Office (ISO) community rating for the District.
- Consideration of a contract for IT services, including advantages, disadvantages, cost, etc.

ADJOURNMENT. With no further business before the Board, the meeting adjourned at 12:06p.m.

Submitted By:

Approved:

Joyce Driscoll, Administrative Assistant

Don Eberle, Chairman

Attest:

Ken Bishop, Board Clerk