

**Minutes of a Regular Meeting of the Board of Directors of the Verde Valley Fire District Held
January 23, 2024**

A Regular Meeting of the Verde Valley Fire District Board of Directors was held on January 23, 2024, at 5:00 p.m. in person at Station 31, 2700 E. Godard Road, Cottonwood, Arizona and electronically (via Zoom).

Board of Directors:

Robert Brummett, Chairman (outgoing)
Coleen Gilboy, Board Clerk (elect)
Kenneth Bishop
Donald Peck, Chairman (elect)
Timothy Bishop (via Zoom)

Staff Present:

Danny Johnson, Fire Chief
Lisa Elliott, Administrative Manager
Ashley Hammond, Administrative Specialist
Richard Lopez, Fire Inspector
Jacob Marx, Firefighter / Union VP Local 3690 (via Zoom)
Dean Koropatnicki, Battalion Chief
Cody Harkey, Battalion Chief (via Zoom)

Others Present:

Brian Hemmerle, Baker Tilly (via Zoom)
Daniel Elliott (via Zoom)

CALL TO ORDER – The meeting was called to order at 5:00 p.m. by Board Chairman Brummett.

ROLL CALL – All Board members were present; a quorum was present.

ORDER OF THE AGENDA – Discussion and consideration of changing the order of the agenda.

Board Clerk Gilboy made a motion to move item 11A, FY2022-2023 Audit Report, to next on the agenda. Board Member K Bishop seconded the motion. The motion passed unanimously.

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. A moment of silence was observed for the 1 U.S. firefighter who lost their life in the line of duty in 2024 to date.

MINUTES – Discussion and consideration of the minutes of the Regular Session held on December 19, 2023 and the Executive Session held on December 19, 2023.

Board Member K Bishop made a motion to approve the minutes of the Regular Session held on December 19, 2023 and the Executive Session held on December 19, 2023. Board Member Peck seconded the motion. The motion passed unanimously.

CALL THE PUBLIC – None.

FY2022-2023 Audit Report – Presentation, discussion and possible approval of the Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2023 for Verde Valley Fire District.

Brian Hemmerle, Partner with Baker Tilly, presented the audit report for the fiscal year ending June 30, 2023. Mr. Hemmerle reviewed the financial statements in the audit report and noted that it was a clean report, unmodified audit report, meaning that there are no findings. He stated this means Baker Tilly provided reasonable assurance that the financial statements are free from material misstatement, Mr. Hemmerle stated that they do not provide absolute assurance. He stated that the difference between reasonable assurance and absolute assurance is that absolute assurance would require them to test every transaction at the District.

Mr. Hemmerle stated that the District's audit report showed increases this year, that included an increase in equity, that is related to an increase in property tax revenues. He stated that the funds statements, which are the District's financial statements without the long-term items, show an increase in the amount of \$981,000.

Mr. Hemmerle stated there is a new accounting standard required by government agencies to show any long-term subscriptions in the long-term debts. He stated that we have one (1) and is listed as a subscription liability in the amount of \$74,492.

Mr. Hemmerle stated that this year the District completed a full Annual Comprehensive Financial Report. Completing this report allows the District to be eligible to receive an award from the Government Finance Officers Association of America.

He stated that the report also includes a Report on Internal Control and Compliance and stated that this report contained a clean opinion as well and that there was nothing to note.

The Board had no questions for Mr. Hemmerle.

Chief Johnson thanked Mr. Hemmerle and Baker Tilly for their time and stated that he appreciates all that they have done for Verde Valley Fire District over the years.

Board Member K Bishop made a motion to approve the Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2023 for Verde Valley Fire District. Board Member Peck seconded the motion. The motion passed unanimously.

FINANCIAL REPORTS – Discussion and consideration of the financial report for the previous month (including ambulance billing). Administrative Manager Lisa Elliott reviewed the written financial reports noting the following:

- The District is 50% through the fiscal year.
- Total cash in the General Fund is \$4,255,056.45 (does not include the PSPRS COP Contingency Reserve Fund.)
 - Administrative Manager Lisa Elliott stated that she has changed the format of the Balance Sheet that allows all funds to show on the same page. Board Clerk Gilboy asked if the new accounting software made this easier. Administrative Manager Lisa Elliott stated yes.
- Increase in cash of \$212,672.23 for the month of December.
- Positive cash flow of \$1,439,079.35 for the fiscal year.
- Update in the Grant Revenues and Grant Expenditures projections to reflect not receiving the SAFER grant.
- Cash flows show that they are adequate to fund the fiscal year's operations.
- FY2023-2024 Property Tax Revenues received: \$538,383.05.
- Fire District Assistance Tax (FDAT) Revenues received: \$41,042.54.
- The following account explanations are for items occurring within the month of December 2023:
 - Page 1 Account 01-42400 Smart and Safe Arizona Act Taxes – Distribution of marijuana tax sales.
 - Page 1 Account 01-451000 Interest Income – Includes interest for the months of November and December for the VVFD General Fund and PSPRS COP Contingency Fund.

- Page 1 Account 01-475000 Arizona State Grant Revenues – Covid grant reimbursement from expenses incurred in 2020. Overpaid by \$600, will be refunded to the State of Arizona.
- Page 10 Account 01-8000-892000 Interest Payments – Semi-annual PSPRS COP payment (interest only). This item was also shown on the November 2023 financial statements. That transaction was voided as it was necessary to wire transfer the funds to US Bank.
- Page 11 Account 02-451000 Interest Income – Includes interest for the months of November and December.
- Page 12 Account 03-451000 Interest Income – Includes interest for the months of November and December.
- Page 14 Account 04-451000 Interest Income – Includes for the months of November and December.
- Total operating-only expenditures are 7.06% lower than the year-to-date allocation.
- Total General Fund expenditures are 11.73% lower than the year-to-date allocation.
- The District has collected \$3,968,747.43 (60.42%) of the FY2023-2024 budgeted Property Tax Revenues.
- Ambulance cash collections of \$77,250.33 and 120 billable calls in the month. Increase of twenty-nine (29) calls from November 2023 and a year-to-date decrease of one hundred (100) calls compared to the same timeframe in FY2022-2023. Cash collections have increased by \$43,178 compared to the same timeframe in FY2022-2023.
- Total Ambulance Billing Receivables were \$631,865.82, an increase of \$67,531.39 from the prior month.
- Crews have been deployed on six (6) assignments in FY2023-2024 to date.
 - The invoices have been submitted and payment has been received on all six (6) assignments.

Board Clerk Gilboy asked when the excess funds from FY2022-2023 will be on the Agenda. Chief Johnson stated that it will be discussed in the Budget Workshop.

Board Clerk Gilboy made a motion to approve the Financial Report. Board Member K Bishop seconded the motion. The motion passed unanimously.

REPORTS AND CORRESPONDENCE

CHAIRPERSON'S REPORT – A report from the Chairperson on their recent activities for the District.

None

BOARD MEMBER REPORTS – Reports from members of the Board on their recent activities for the District.

None

UNION REPORT – A report from the District representative of the Sedona-Verde Valley Firefighters Association on current events and activities for the past month.

Union Vice President Marx stated there was no significant information to report for the month. He stated that they are excited to work with management on the upcoming MOU and budget.

FIRE INSPECTOR REPORT – A report from the Fire Inspector, discussion, and possible action regarding current events and activities, including: Public education, fire prevention, meetings and events attended, training, permits issued and closed, significant projects, and inspections.

Fire Inspector Lopez presented the monthly statistics:

New Permits: 4

Complaints: 0
 General and Final Inspections: 7
 General correspondence including site visits, emails, phone calls and letters: 25+
 Plan Reviews: 2
 Preliminary Code Reviews: 1
 Car Seats: 16

Fire Inspector Lopez stated he is currently continuing to develop Prevention SOPs, creating a Prevention Program and brainstorming for a permit process. He attended the Verde Valley Fire Marshal meeting, a training in Sedona on a new residential fire sprinkler system, a wildland protection plan meeting and the Yavapai County Emergency Evacuation Plan meeting.

FIRE CHIEF REPORT – A report from the Fire Chief, discussion and possible action regarding current events and his recent activities, including: National Line of Duty Firefighter deaths; meetings and events attended; human resource updates; finance and grant updates; special projects/other updates; wildland assignments and mutual aid; out-of-District calls; County and State updates; AFDA updates; and other potential updates.

Chief Johnson reported on items from his report including:

- Meetings Attended
 - AFDA Board of Directors Meeting
 - AFDA Winter Conference
 - Verde Valley Fire Board Meeting
 - Copper Canyon Fire Board Meeting
- Human Resources
 - Engineer's testing process was posted for February 20-21, 2024.
- Finance / Grants
 - DFFM grant was submitted for a tactical tender.
 - Chief Johnson stated that the DFFM grant was submitted. He stated that tactical tenders are currently taking eighteen (18) months from start to completion.
 - Budget process and MOU negotiation will begin in February.
- Special Projects / Other
 - Lien authority history.
 - This was taken to the legislators years ago and they could not get support from either party.
- Wildland Assignments / Mutual Aid
 - No wildland assignments / Mutual Aid for November.
- Out of District Calls
 - Total OOD responses for December: 1
 - Chief Johnson stated that resident was billed and has an outstanding balance of \$21,000.00
- County and State Updates
 - HB2012 – Department of forestry; continuation
 - HB2066 – Behavioral health transportation; providers; technicians
 - HB2148 – Fire protection systems; inspections
 - HB2290 – Certificates of operation; interfacility transfers
 - HB2330 – Fire districts; formation; county supervisors
 - HB2418 – Fire district advisory board
 - SB1071 – Peer support teams; information; disclosure
 - HB2418 – Creates a State Board for management of Fire Districts.

- AFDA Updates – Legislative updates.
 - AFDA Board Meeting scheduled for February 1, 2024.
 - AFDA Board Meeting scheduled for March 7, 2024.

OLD BUSINESS

Election of Board Officers – Discussion and consideration of electing a Chairman and Board Clerk form among the Board Members to serve a one (1) year term.

Board Chairman Brummett opened this item up for discussion.

Chief Johnson stated at the December Board meeting this item was tabled and reset for January's Board meeting. He explained that all Board members have the same power and authority.

Board Chairman Brummett made a motion to nominate Board Member Peck as Board Chairman. Board Member K Bishop seconded. The motion passed unanimously.

Board Chairman Peck asked for nominations for Board Clerk.

Board Member K Bishop made a motion to nominate Board Clerk Gilboy to continue as Board Clerk. Board Member Brummett seconded the motion. The motion passed unanimously.

Cell Tower – Discussion and possible approval of the Option and Ground Lease Agreement with Maverick Towers LLC for the cell tower at Station 32 in Cornville; the Board may vote to go into Executive Session for legal advice pursuant to A.R.S. § 38-631.03 A.3 for discussion or consultation for legal advice with the attorney or attorneys of the public body.

Chief Johnson stated that as directed by the Board at December's Board meeting he has continued dialogue and negotiations with Maverick Towers LLC for the cell tower at Station 32.

Chief Johnson stated that he would like to have two (2) Board members and himself have a conference call with Maverick Towers LLC to better understand the terms and conditions, as well as the market for the cell tower.

Board Member Brummett asked if Maverick Towers LLC was willing to attend the public hearing for the cell tower. Chief Johnson stated yes.

Board Clerk Gilboy asked if a motion was needed to appoint two (2) Board members to have a conference call with Maverick Towers LLC. Chief Johnson stated no, that no motion is needed because we are not taking action on the Board agenda item or creating a committee, just continuing dialogue and research.

Board Member Brummett and Board Chairman Peck volunteered to have a conference call with Maverick Towers LLC and Chief Johnson.

Board Chairman Peck asked Chief Johnson if they were going to discuss the cell tower contract. Chief Johnson stated there have been no formal changes to the contract at this time.

NEW BUSINESS

Declaration of Interest Statements – Discussion and possible acknowledgement of Declaration of Interest Statements provided by the Board Members and employees of the District.

Chief Johnson presented the Board with the Declaration of Interest statements provided by the Board Members and employees of Verde Valley Fire District for the Boards approval.

Board Member K Bishop made a motion to acknowledge the disclosure statements received from Board Members and employees of the District. Board Member Brummett seconded the motion. The motion passed unanimously.

Resolution 2024-01 – Discussion and possible adoption of Resolution 2024-01 adopting a revised Holidays policy.

Chief Johnson stated that revisions are needed to the Holidays policy for clarification of administrative employee holiday time usage. He stated the proposed verbiage states “If a full-time administrative or non-shift suppression employee does not normally work on the recognized holiday, he will be allowed to use the ten (10) hours of holiday pay on another day.

Chief Johnson stated this proposed change is to clarify the current practice. For example, if a holiday falls on a Monday and the employee does not work on Mondays, the employee will flex this holiday and have a day off on a different day.”

Board Clerk Gilboy made a motion to adopt Resolution 2024-01 adopting a revised Holidays policy. Board Member Brummett seconded the motion. The motion passed unanimously.

FUTURE AGENDA ITEMS – A listing of items to be placed on a future agenda.

Cell Tower

ADJOURNMENT. With no further business before the Board, the meeting adjourned at 5:40 p.m.

Submitted By:

Approved:

Ashley Hammond, Administrative Specialist

Donald Peck, Board Chairman

Attest:

Coleen Gilboy, Board Clerk