

**Minutes of a Regular Meeting of the Board of Directors of the Verde Valley Fire District Meeting Held
January 25, 2022**

A Regular Meeting of the Verde Valley Fire District Board of Directors was held on January 25, 2022 at 5:00p.m. in person at Station 31, 2700 E. Godard Road, Cottonwood, Arizona and electronically (via Zoom).

Board of Directors:

Ken Bishop, Chairman
Robert Brummett, Board Clerk
Donald Peck
Coleen Gilboy
Matthew Kaempfe

Staff Present:

Danny Johnson, Fire Chief
Lisa Elliott, Administrative Manager
Danny Hinds, Fire Inspector
Warren "Skip" Heyer, CPR Instructor
Chris Heyer, CPR Instructor
Ron Ballatore, CPR Instructor
Jacob Marx, Firefighter
Katie Anderson, CPR Instructor
Shaun McCallum, Battalion Chief
Bill Boler, EMS Coordinator
Ivan Anderson, Firefighter / VP Local 3690
Spencer Young, Engineer
Louis Newell, Captain
Paul Morales, Engineer
Guy DeJonge, Firefighter

Others Present:

Brian Hemmerle, Henry + Horne
Patrick Ojeda

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

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

PLEDGE OF ALLEGIANCE TO THE FLAG – Those present stood and said 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 141 U.S. firefighters who lost their lives in the line of duty in 2021.

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

Board Member Peck made a motion to move item 11A, Employee Recognition, to next on the agenda. Board Member Gilboy seconded the motion. The motion passed unanimously.

(After the Financial Report) Board Member Gilboy made a motion to move item 11B, FY2020-2021 Audit Report, to next on the agenda. Board Clerk Brummett seconded the motion. The motion passed unanimously.

EMPLOYEE RECOGNITION – Recognition of retiring employees.

Chief Johnson stated that Warren "Skip" Heyer, Chris Heyer, and Ron Ballatore are retiring from their positions as CPR Instructors for Verde Valley Fire District. He read statements about their service to the District including that they combined have certified over 20,154 individuals in CPR as well as their years of service to the community.

Chief Johnson presented each with a plaque to honor them and thank them for their service.

Skip stated that it was his pleasure and his honor to speak to the Board and thanked them for the opportunities that they have given the CPR team. He thanked Staff and stated that Katie Anderson will be taking over the CPR program. He thanked Bill Boler for his mentoring from the time he got his EMT through classes and establishing this program. He stated that he leaves this with a great deal of pride.

MINUTES – Discussion and consideration of the minutes of the Regular Meeting held December 21, 2021.
Board Member Kaempfe made a motion to approve the minutes of the Regular Meeting held December 21, 2021.
Board Member Peck seconded the motion. 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). Administrative Manager Elliott reviewed the written financial reports noting the following:

- The District is 50% through the fiscal year.
- Total cash in the General Fund at the end of December: \$2,864,913.91.
- Increase in cash of \$230,696 for the month of December.
- Property Tax Revenues received in December: \$525,035.84.
- Fire District Assistance Tax (FDAT) received in December: \$40,660.90.
- Total General Fund operating-only expenditures were 5.28% lower than year-to-date allocation.
- Total General Fund expenditures were 13.80% lower than the year-to-date allocation.
- Ambulance collections and call volume.
- Wildland deployment billing and revenue.

Chief Johnson provided an explanation of the memorial funds received from VFIS for Tyrone Bell.

Chief Johnson stated that the District will be back at full staff at the end of next week and anticipates that this will help the overtime budget. He explained that the leave time for COVID is not something that we could have budgeted for and explained his attempts in trying to recover some of the costs. He stated that we may need a special board meeting to do a budget adjustment to cover it.

Chief Johnson stated that the Smart and Safe Act funds are being used to help pay the Certificate of Participation (COP) payments that were obtained to pay the District's PSPRS pension debt.

Board Member Gilboay made a motion to approve the Financial Report. Board Clerk Brummett seconded the motion.
The motion passed unanimously.

FY2020-2021 AUDIT REPORT – Presentation, discussion and possible approval of the FY2020-2021 Financial Statements and Audit Report for Verde Valley Fire District.

Brian Hemmerle, Partner with Henry + Horne, presented the audit report for the fiscal year ending June 30, 2021. He referred to the Letter to the Governing Body that lets them know how the audit went. He pointed out significant items such as the calculation of pension / OPEB liabilities and assets, allowance for doubtful accounts, and compensated absences as they are estimates that have a significant effect on the financial statements.

He stated that there were no audit findings and no difficulties were encountered during the audit. He stated that they made one (1) verbal recommendation to staff regarding security access to the servers and noted that it should be in a locked area with restricted access.

Mr. Hemmerle reviewed the financials statements in audit report and noted that it was a clean report, unmodified audit report, meaning that there were no findings. He stated that last year's report included a finding regarding the procurement of Ambulance Billing Services. As there were no issues this year, the finding was removed from the current year's report. The disclosure in the financial statements regarding the related party will be removed next year as it will no longer apply.

He explained that the Management's Discussion and Analysis (MD&A) is not audited and that it is prepared by Lisa and Chief to discuss items with the community regarding changes from the prior year and other important items. The auditors make sure that nothing contradicts with the financial statements; Mr. Hemmerle stated that the information in the MD&A is accurate.

Mr. Hemmerle noted that cash decreased from the prior fiscal year due to the payment of the capital lease, and also noted that the pension / OPEB liability increased from the prior fiscal year.

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.

He stated that the District did receive more grant funds this year, but not enough to require a Schedule of Expenditures of Federal Awards (SEFA) audit.

The Board had no questions for Mr. Hemmerle.

Board Member Gilboy made a motion to approve the FY2020-2021 Financial Statements and Audit Report for Verde Valley Fire District. Board Member Kaempfe 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.

Board Chairman Bishop reported that the AFDA Conference was really good this year and that Chief's presentation on the bonds was very good, very well presented.

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

Board Member Kaempfe stated that the AFDA Conference was eye opening.

Board Member Peck stated that he enjoyed the conference.

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

VP Ivan Anderson stated that they will be scheduling the Policy work session soon and that they are getting the Meet and Confer Committee together.

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, and inspections.

Fire Inspector Hinds reported on his monthly report including the monthly statistics for permits, inspections, and reviews.

He discussed significant projects within the District including:

- 74-unit apartment complex next to Yavapai College.
- 82-unit apartment unit at Broadway and Park. Discussion on ingress / egress for the property.

He stated that the new burn permit website is up and running and that a kiosk has been set up in the front office for those who do not have a computer or internet access to apply for a burn permit. Kiosks will also be installed at Stations 32 and 36.

He stated that Firefighter DuFresne has taken over the car seat program so he does not have anything to report.

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; incident calls; grants update; human resource policy updates; hiring processes; facility repairs; information technology and communication network issues and concerns; deannexation issues; out-of-District billing process; cell tower; Clarkdale property; COVID funding; AFDA updates; and other potential updates.

Chief Johnson reported on items from his report including:

- Meetings and events in January 2022
 - Additional information on the Cornville Community Association meeting regarding the proposed cell tower at Crazy Tony's. He spoke on behalf of the District regarding the communication issues in the area.
 - Shared manpower agreement with City of Cottonwood for Captain Ian James for the time he spends working on their communication equipment. He currently works for the City of Cottonwood but they treat him as a contractor instead of an employee and he has no protection should he be injured. Looking to cover him under the District and bill Cottonwood.
- Grants – Staff submitted a grant to Firehouse Subs for 3 gas monitors and a thermal imaging camera totaling \$29,899.16.
- Human Resources – Update on former Engineer Paul Winton.
- Website Update – New website will include the ability for customers to make payments online.
- Deannexation Issues
 - Received a letter from Sawmill Gardens property owners stating that they deannexed in 2020 but were assessed taxes through 2020. They are requesting repayment for July – December 2020. Chief Johnson explained that he contacted Yavapai County and received two (2) interpretations. They stated that the official process requires approval by Arizona Department of Revenue (AzDOR) which is not done until the following January (2021). Once AzDOR approves it, it is removed. The other interpretation is the parcels are not moved until the end of the tax season meaning the property owners would owe from January through June 2021. Chief Johnson stated that he may be required to get a legal opinion.
 - A request for deannexation was received in February 2021 for a parcel in the Quail Springs area. He explained that the District spent almost \$2,000 for legal counsel to tell the resident how to deannex and that the information was provided to the resident. He has spoken with resident regarding their request. He explained that the deannexation will create non-contiguous borders which are prohibited. The Board has to make a determination whether or not it will be detrimental to the District and whether or not to approve the deannexation.
- Cell Tower
 - Chief Johnson stated that he was contacted by APWireless regarding installing a multi-carrier cell tower at Station 32. He stated that this will allow the District to relocate the equipment on the existing tower and would improve communication issues within the area. The Board supports further discussions with the cell tower company.
- APS Substation / Clarkdale Property – The check was received and deposited (\$485,000). APS is requesting to void the Shared Use Agreements; Chief Johnson will sign them if received.
- Fire District COVID Funding – AFDA sent a letter to Ducey's office to request reimbursement from

CARES and ARPA funds; this request was denied. Chief Johnson is now collecting information from Yavapai County fire agencies to make a presentation to the Yavapai County Board of Supervisors to request ARPA funds that they still have. He is leading this item for Yavapai County.

- AFDA Legislative Updates
 - Arizona Fire District Safety Act – Explained that the initiative includes a 1/10 of 1 cent statewide sale tax that would go to fire districts. The estimated projection is about \$150 million that would be spread across districts in the state based on NAV. It would include a 3% cap on what any district could get (estimated at \$4.5 million). Do not yet have VVFD estimate. It is being pushed on two (2) tracks; a legislative ballot referral and a signature initiative. The signature initiative requires 245,000 signatures; they are asking for assistance in getting signatures.
 - Fire District Workers Compensation Pool – Asked the State for ARPA funds to cover cancer presumptive laws. Cities and towns received \$20 million from the State to fund the item, fire districts did not receive anything.
- Out of District Billing Process – The Cement Plant is still reviewing the list of calls. Chief Johnson will contact them again in a few weeks.

OLD BUSINESS - None

NEW BUSINESS

2022 BOARD MEETING DATES – Discussion and consideration of the regular meeting dates for 2022.

Chief Johnson stated that this item is to determine whether there are any regularly scheduled meeting dates that the Board would like to change. Board Chairman Bishop stated that they normally look at November and December.

Board Member Kaempfe made a motion to approve the 2022 regular meeting dates with the amended meeting date of December 15, 2022. Board Member Gilboy seconded the motion. The motion passed unanimously.

IT PROPOSAL – Discussion and possible approval of the proposal from Sunstate Technology Group for IT network upgrades.

Chief Johnson explained that the District's IT infrastructure is failing and is vulnerable and stated that the firewall is at the end of life. Based on the recommendation from the auditor regarding security, the project has been moved to the forefront of what we need to do for upgrades. The proposal includes hardware and standardizes equipment to one type and will clean up servers, patches, etc. The project scope is listed in the packet and totals \$14,102.86. Chief Johnson would like to stick with Sunstate because they are managing the network now, they understand it and our business model, and they monitor our network. The new equipment would allow for real time data monitoring for hacks, etc. He stated that this is an unbudgeted expense and that he would like to assess capital fund outlay across the board and determine items that will be unspent. The expenses will be charged to line item 02-8000-814002. Chief Johnson confirmed that this project will not affect the monthly service fees.

Board Member Kaempfe made a motion to approve the proposal from Sunstate Technology Group for IT network upgrades in the amount of \$14,102.86. Board Member Peck seconded the motion. The motion passed unanimously.

PENSION FUNDING POLICY – Discussion and possible adoption of Resolution 2022-01 adopting a Pension Funding Policy.

Chief Johnson reported that this is an annual requirement to update the Pension Funding Policy per House Bill 2097. The Pension Funding Policy details how the District will fund the pension liability requirements.

Board Member Gilboy made a motion to adopt Resolution 2022-01 adopting a Pension Funding Policy. Board Clerk Brummett seconded the motion. The motion passed unanimously.

FIRE CHIEF EVALUATION PROCESS – Discussion and possible direction to Staff regarding an evaluation process for the Fire Chief.

Chief Johnson stated that the Board requested an agenda item in November to discuss the Fire Chief's evaluation process and how they would like to evaluate the Fire Chief. The Fire Chief's Employment Agreement was changed to move the evaluation date to March to coincide with his Agreement dates.

It was stated that the current Fire Chief evaluation forms were provided to the Board to review and provide comment to Staff; no comments were received. Board Member Gilboy asked Chief Johnson about the evaluation process that was used at Daisy Mountain. Chief Johnson explained that they used a model that included a grading scale as well as clear goals and objectives for the employee. He stated that it required actual justification for high marks or deficiencies and that they had to be validated. He stated that he was not involved in the Fire Chief's evaluation as it was just between the Fire Chief and the Board.

Staff was requested to obtain examples of 360 evaluation forms as the Board wants to continue to receive input from Staff. The Board also wanted the Fire Chief to do a self-evaluation to include what he sees for the future of the District.

There was discussion on the current process of evaluations as well as pay for performance rather than everyone getting the same increase. Chief Johnson stated that he doesn't feel that pay increases should be tied to the performance evaluation unless there are grave deficiencies as it could be used as a weapon.

Examples received will be sent to the Board for response back to Staff within a week. The Board will finalize the evaluation form documents at the February meeting, disburse them to Staff and complete the Fire Chief's evaluation in March.

No action taken.

FIRE CHIEF EMPLOYMENT AGREEMENT - Discussion and possible action regarding the Employment Agreement with Daniel Johnson for the position of Fire Chief; the Board may vote to go into Executive Session regarding the Employment Agreement of the Fire Chief pursuant to A.R.S. § 38-431.03. A.1. for discussion or consideration of employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee or employee of any public body regarding the same.

Chief Johnson stated that this item is a follow up from the November Board meeting regarding gathering samples of verbiage. He noted that he was given the required 24-hour notice of the executive session.

Board Member Peck made a motion to go into executive session for item 11.G. Fire Chief Employment Agreement, and item 11.H, Legal Advice, under for A.1 and A.3. Board Member Gilboy seconded the motion. The motion passed unanimously.

The Board entered Executive session at 7:03 pm.

The Board resumed the Regular session at 7:30 pm.

Board Member Kaempfe made a motion to direct Staff to make changes to the Fire Chief's Employment Agreement as directed in Executive session. Board Member Gilboy seconded the motion. The motion passed unanimously.

LEGAL ADVICE – Discussion and possible direction to Staff regarding public records requests and incident number 2021-002075; it is anticipated that the Board may vote to go into Executive Session for personnel matters pursuant to A.R.S. § 38-431.03. A. 3. regarding the same.

No action taken.

ADJOURNMENT. With no further business before the Board, the meeting adjourned at 7:31 p.m.

Submitted By:

Approved:

Lisa Elliott, Administrative Manager

Ken Bishop, Board Chairman

Attest:

Robert Brummett, Board Clerk

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