Minutes of a Regular Meeting of the Board of Directors of the Verde Valley Fire District Held February 24, 2026

A Regular Meeting of the Verde Valley Fire District Board of Directors was held on February 24, 2026, at 5:00 p.m. in person at Station 31, 2700 E. Godard Road, Cottonwood, Arizona and electronically (via Zoom).

Board of Directors:
Coleen Gilboy, Chairman
Donald Peck, Board Clerk
Robert Brummett (via Zoom)
Kenneth Bishop
Nicholas Brunori (via Zoom)

Staff Present:
Danny Johnson, Fire Chief
Lisa Elliott, Administrative Manager
Ashley Hammond, Administrative Specialist
Ted Koehler, Fire Inspector
Nate Bailey, Fire Marshal (via Zoom)
Seth Murphy, EMS Captain
Jonathan Pizzi, Captain / Union VP Local 3690 (via Zoom)
Cody Harkey, Battalion Chief (via Zoom)
Zach Morgan, Firefighter (via Zoom)
Justin Sandoval, Captain (via Zoom)

Others Present:
Mark Reader, Stifel Public Finance
Paul Gales, Greenburg Traurig
Daniel Elliott (via Zoom)

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

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

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

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 2 firefighters who lost their lives in the line of duty in 2026 to date.

CALL TO THE PUBLIC – None.

Consent Agenda – DISCUSSION AND POSSIBLE ACTION

A. **Minutes** – Discussion and consideration of the minutes of the Regular Meeting held on January 27, 2026 and Executive Session held on January 27, 2026.

Board Member Bishop made a motion to approve the Consent Agenda. Board Clerk 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 month ending January 31, 2026 is the seventh month of the fiscal year (FY2025-2026), which equates to 58% of the year-to-date budget.
- Total cash in the General Fund is $5,236,298.31 (does not include the PSPRS COP Contingency Reserve Fund).
- Decrease in cash of $93,436 for the month of January.
- Positive cash flow of $2,034,505 for the fiscal year.
- Cash flows show that they are adequate to fund the fiscal year's operations.
- FY2025-2026 Property Tax Revenues received: $258,793.10.
- Fire District Assistance Tax (FDAT) Revenues received: $13,346.23.
- The following account explanations are for items occurring within the month of January 2026:
    - Page 1 Account 01-455000 Other Income – Amount recoded to Shared Service Agreement Reimbursements.
    - Page 1 Account 01-479000 Miscellaneous Grant Revenues – Purchase order was made to revenue account instead of expense account, will be recoded.
    - Page 3 Account 01-6100-612002 Consulting Services – Ambulance billing review.
    - Page 9 Account 01-6700-674108 Gloves – Recoded to EMS Disposable Medical Supplies.
- Total operating-only expenditures are 12.25% lower than the year-to-date allocation.
- Total General Fund expenditures are 16.56% lower than the year-to-date allocation. Total year-to-date expenditures are shown on page 10 of the Monthly Financials – Detail report.
- The District has collected $5,016,854 (65%) of the FY2025-2026 budgeted Property Tax Revenues.
- For the month of January 2026, there were 111 billable calls. This is a decrease of 9 billable calls from the prior month and a year-to-date increase of 89 billable calls from the same timeframe in FY2024-2025.
- Ambulance cash collections of $113,406.01 were received. Year-to-date cash collections have increased $242,587 compared to the same timeframe in FY2024-2025.
- Total Ambulance Billing Receivables were $488,945.43, a decrease of $16,499.60 from the prior month.
- For the month of January 2026, $2,974.57 was sent to collections, $0.00 was received. The total amount at collections is $236,313.01.
- Crews have deployed five (5) assignments through January 31, 2026.
    - Payment has been received for all five (5) deployments.

Board Member Bishop made a motion to approve the Financial Report. Board Clerk Peck 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 Pizzi stated that the Labor group is finalizing the MOU. He noted that they will be having a

meeting on March 4, 2026, with all the Verde Valley Labor groups across the Verde Valley, alongside management, and expressed his excitement to hear what everyone is experiencing and doing to bring back to the District.

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 Koehler presented the monthly statistics:

New Permits: 4 Solar
Complaints: 1 total – 0 Invalid, 0 – Referred to County
General and Final Inspections: 0
General correspondence including site visits, emails, phone calls, and letters: 0
Plan Reviews: 0
Occupancy load reviews: 0
Preliminary Code Reviews: 0
Knox Box Installs: 0
Smoke Alarms: 1

Fire Inspector Koehler reported that several projects are currently underway or in review within Clarkdale. The Clarkdale Apartments are under construction, and Highlands at Clarkdale is in the pre-plan stage. The Clarkdale Newsstand and associated apartments are also under construction. Tuzigoot Storage is in the preliminary phase, while U-Haul has pulled a temporary permit. Circle K is in the conditional use permit process, and an assisted living project is undergoing new site development review.

He also shared that he has served in the fire service for forty (40) years and complimented the residents of the Verde Valley Fire District for their proactive approach and willingness to address corrections in order to meet and pass fire code requirements.

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 and Events
  - AFDA Legislative Updates
  - AFDA Monthly Meeting
  - Verde Valley Mayors and Managers Meeting
  - Arizona Fire Service Institute (AFSI)
  - ICA Municipal Firefighter Cancer Legislation
  - Securis Board Meeting
  - Camp Verde and Yavapai Leadership Meeting
  - AFDA Winter Conference Round Table
  - VVFD GO Bond Sale Coordination
  - CAFMA Leadership Round Table
  - Copper Canyon Fire Board and Staff Meetings
  - Verde Valley Labor Management Meeting

- Human Resources
  - Firefighter interviews took place on February 10, 2026.
    - Offered three (3) candidates job offers.
  - VVFD members attended HR in the workplace training.
    - All Captains and BCs had employee evaluation training.
- Finance / Grants
  - Fire House Subs grant was submitted for turnouts.
    - The District requested $20,531.27 to purchase four (4) sets of turnouts (jackets and pants).
  - Budget processes and MOU negotiations began in February.
    - Net Assessed Value (NAV) came in at 6%, Full Cash Value (FCV) came in at 4%.
- Special Projects / Other
  - GO Bond Tentative Timeline
    - Week of January 5th/12th – Requested information delivered to Stifel for preparation of the preliminary official statement ("POS") and bond rating/insurance packages.
    - Week of January 12th – Distribute draft POS and legal documents to the financing team, Credit Ratings, and Insurance Companies.
    - February 3rd – POS due Diligence/Zoom.
    - Week of February 9th – Credit Rating Agency meeting. Rating and Insurance secured by February 25th.
    - February 17th (check) – Information due to the District for Board packets in anticipation of Board meeting.
    - February 24th – District Board considers a Resolution authorizing the issuance of the General Obligation Bonds, Project of 2025, Series A (2026) (the "Bonds") and granting authority to the Fire Chief, and/or Administrative Manager to approve the final terms to complete the financing.
    - February 25th – Finalize POS and distribute electronically.
    - Week of March 9th – Market and underwrite Bonds and execute bond purchase agreement.
    - Week of March 9th/16th – Prepare final official statement and distribute to Bond investors and financing team; prepare all closing documents; secure needed signatures from Governing Board and Administration, and issue closing letter.
    - Week of March 23rd – Close the Bond issue.
  - Communications
    - The District continues to look for data options for the technological needs of the District.
    - Regional conversations with radio coverage continue with all public safety partners.
      - In the regional meeting that was held on February 3, 2026, Cottonwood PD indicated that they were joining the Statewide DPS system for their communications. VVFD will be given test radios to test the viability of this network for our communication needs.
    - Regional fire partners will discuss our needs to coordinate our efforts.
  - Important Dates
    - Camp Verde Presentation: February 25, 2026 at 5:00 p.m.
    - Rimrock Community Presentation: March 3, 2026 at 10:00 a.m.
    - Chief Johnson stated that he will be attending CFSI in Washington, DC, March 17-20, 2026.
- Wildland Assignments / Mutual Aid
  - There were 0 wildland assignments for the month.
- Out of District Calls
  - Total OOD responses to date in February: 0

- Arizona Legislative
  - The 57th Arizona Legislature, 2nd Regular Session, convened on January 12, 2026.
  - Bill activity this week: 1,875 bills posted: 0 signed, 1 vetoed.
  - Key Dates
    - Monday, February 9 (5:00 p.m.): House bill introduction deadline.
    - Friday, February 20: Last day for a bill to be heard in a committee in its originating chamber.
    - Monday, February 23: Crossover week starts (House bills go to the Senate, and vice versa).
    - Friday, March 27: Last day for a bill to be heard in a committee in the opposite chamber.
    - Tuesday, April 21: 100th day of the session (allegedly the end of the legislative session).
- 2026 Fire Service Legislation – AFDA Active Engagement
  - HB 2917 – Firefighter cancer registry
  - SB 1504 – PSPRS; service requirement; cost-of-living adjustment
  - HB 2402 – Ambulance services; certificates of necessity
  - HB 2437 – EMS reciprocity; compact
  - SB 1235 – EMS reciprocity; compact
  - HB 2641 – PFAS; firefighting foam; prohibition
  - HB 2663 – Leaves of absence; military training
  - HB 2231 – Firefighters; occupational disease; adenocarcinoma
  - SB 1215– Firefighters; occupational disease; cancers
  - SB 1130 – Property tax; exemption; widows; widowers
  - SB 1268 – Property tax; exemption; veterans
  - HB 2394 – Property tax; residential property
  - HB 2973 – Property tax; exemption; income limit
  - HCR 2009 – Senior property valuation; application; income
  - HCR 2017 – Property tax; exemption; primary residence
  - HCR 2039 – Property tax; primary residences; exemptions
  - HB 2924 – TPT; exemption; fire apparatus
  - SB 1744 – TPT; exemption, fire trucks; ambulance
  - SB 1136 – Workers' compensation; death benefits; remarriage
  - HB 2271 – Insurers covering firefighters; rate deviation
  - HB 2292 – Wildfire prevention authority; fund
  - HB 2855 – Home buyer assistance program
- Federal Updates and Policy Updates
  - U.S. Fire Administrator Summit Postponed; Updated Dates Pending
  - PFAS: New firefighter exposure study highlights operational predictors; AZ Fire Service supports HB 2641
  - Department of the Interior: FY 2026 Budget Materials Highlight Wildland Fire Service Modernization
- Arizona State Agency and Fire Service Update
  - Arizona DFFM: Prescribed Fire Projects Begin Across Northern Arizona
  - Grant Opportunity – IAFC Fuels Reduction Funding Awards (2026)
  - ADEQ: Smoke Management Program Guidance Updated

OLD BUSINESS

Joint Powers Authority (JPA) – Discussion and update regarding Joint Powers Authority (JPA) with Copper Canyon Fire & Medical District.

Chief Johnson reported that he gave a presentation to the Town of Clarkdale, which was well received with

positive feedback and no opposition expressed. He stated at the last Copper Canyon Fire and Medical District (CCFMD) Board meeting that the CCFMD Labor group presented a letter of support.

Chairman Gilboy asked about the remaining two (2) meetings and inquired specifically if there would be a meeting at the Verde Villages. Chief Johnson responded that he spoke with an individual from the Verde Villages and they stated the Verde Villages Association has become defunct. Chief Johnson stated that both the Board and Staff have been transparent throughout the process and have consistently provided information to the public.

Chief Johnson stated that he would like to have a joint meeting with VVFD and CCFMD in April to seek approval to move forward, as both Boards must approve the proposal. If approved, the goal for the new organization to be established is July 1, 2027.

NEW BUSINESS

Budget Committee Appointments – Discussion and possible appointment of two (2) Board Members to the FY2026-2027 Budget Committee.

Chief Johnson stated that historically two (2) Board Members are appointed to serve on the Budget Committee. The Committee meets with the Fire Chief and Administrative Manager to review the proposed budget, discuss any necessary adjustments, and make recommendations to present to the full Board. He explained that the Budget Committee typically meets in April or May, after the line-item budgets have been submitted.

Chairman Gilboy asked if any members were interested in volunteering to serve on the Committee. She nominated Board Member Brummett and Board Clerk Peck.

Board Member Bishop made a motion to appoint Board Member Brummett and Board Clerk Peck to the FY2026-2027 Budget Committee as discussed by the Board. Board Clerk Peck seconded the motion. The motion passed unanimously.

March 24, 2026 Board Meeting – Discussion and possible approval to change the start time of the March 24, 2026 Board meeting to 6:00 pm.

Chief Johnson stated that he no longer needs to change the meeting time for the March 24, 2026 Board meeting but will attend via Zoom.

No motion was required.

Resolution 2026-02 Sale and Issuance of General Obligation Bonds – Consideration and possible adoption of Resolution 2026-02 providing for all matters relating to the sale and issuance of General Obligation Bonds of the District, including delegation to the Fire Chief of the District to determine certain matters related thereto.

Chief Johnson introduced Mark Reader with Stifel Public Finance and Paul Gales with Greenberg Traurig.

Mr. Reader congratulated the Board and staff on the bond, noting that it received the highest support of any bond across Arizona. He explained that the next step is to sell the bonds. Mr. Reader presented a detailed report to the Board and staff, including a credit rating update: the District received an A+/Stable rating, which is considered very strong, and the "A" rating was confirmed on the District's PSPRS Certificates of Participation.

He highlighted that the Verde Valley Fire District demonstrates solid financial performance, healthy reserves and liquidity, strong budget practices, and a manageable long-term liability profile. The District has posted positive results in three of the past four years, with another positive budget projected for the current year. The local tax base has shown consistent assessed value growth of 5.7% for fiscal year 2026/2027. Mr. Reader emphasized the District's financial management policies, including strong budgeting practices, multiyear projections, and adherence to state debt management policies.

Mr. Reader also provided updates on bond insurance and pricing. The bond is expected to carry "AA"-rated insurance, with an estimated present value benefit of $210,000. Bond pricing is scheduled for March 5, 2026, with estimated yields ranging from 2.45% to 4.20%. He concluded with a municipal market outlook and a market volatility chart.

Mr. Gales explained Resolution 2026-02, noting that it represents the final formal action required to move forward with the bond.

Chairman Gilboy asked if any Board members had questions; there were none.

Board Clerk Peck made a motion to adopt Resolution 2026-02 providing for all matters relating to the sale and issuance of General Obligation Bonds of the District, including delegation to the Fire Chief of the District to determine certain matters related thereto. Board Member Bishop seconded the motion. The motion passed unanimously.

FUTURE AGENDA ITEMS – A listing of items to be placed on a future agenda.
None

ADJOURNMENT. With no further business before the Board, the meeting adjourned at 5:44 p.m.

Submitted By:

Ashley Hammond, Administrative Specialist

Approved:

Colleen Gilboy, Board Chairman

Attest:

Donald Peck, Board Clerk