

**Minutes of a Budget Committee Meeting of the Board of Directors of the Verde Valley Fire District Meeting
Held
April 23, 2024**

A Budget Committee Meeting of the Verde Valley Fire District Board of Directors was held on April 23, 2024, at 10:00 a.m. in person at Station 31, 2700 E. Godard Road, Cottonwood, Arizona and electronically (via Zoom).

Board of Directors:

Coleen Gilboy, Board Clerk
Timothy Bishop

Staff Present:

Danny Johnson, Fire Chief
Linda Peterson, Finance Assistant
Dean Koropatnicki, Battalion Chief
Cody Harkey, Battalion Chief
Matthew Chavez, Firefighter
Jacob Marx, Firefighter / Union VP Local 3690
Jonathan Pizzi, Engineer (via Zoom)

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

ROLL CALL – Board Clerk Gilboy and Board Member T Bishop were present; a quorum was not necessary.

NEW BUSINESS

FY2024-2025 BUDGET WORKSHOP – Work session to discuss the Fiscal Year 2024-2025 Proposed Budget.

Chief Johnson explained that the Budget Workshop is to go over the Proposed Budget for Fiscal Year 2024-2025 and allow the Budget Committee to discuss the Proposed Budget.

Chief Johnson presented the Budget Summary and stated that Administrative Manager Lisa Elliott, the Labor Management group, and he have been working diligently on the budget for the past couple of months.

Chief Johnson stated goals for the FY2024-2025 Proposed Budget include continued collaboration, a balanced budget, MOU renewal, pay scale change, maintaining benefits, beginning a capital funding plan, ISO rating stability, and addressing inflationary costs.

Chief Johnson stated the FY2024-2025 Proposed Budget includes:

- Mil rate increase to \$3.31 (from \$3.21).
- Increase in ambulance revenues of \$40,000.
- One new support staff (part-time as needed for communications).
- 13% increase in health insurance rates.
- 6.8% increase in worker's compensation rates.
- Election cost (offset with transfer from Capital Fund).
- Consultant for possible JPA study.
- 8% increase in APS fees.
- Blue Card training for all suppression personnel.
- Increase in Capital funding of \$50,000.
- Transfer of \$150,000 from FY2022-2023 to Capital.
- Transfer of \$60,110 from FY2022-2023 to the Employee Benefits Liability Fund.

Chief Johnson stated the District needs to start building the District's Capital Improvement Projects (CIP) funding. He stated a district this size should have 10% of the budget going into CIP funding. He stated Verde Valley Fire District is currently funding the CIP Fund by 3-4%.

Board Clerk Gilboy asked if the District was going to prepay for health insurance. Chief Johnson stated no, the District will prepay the pension cost.

Chief Johnson stated the proposed MOU items include:

- New wage scale (MOU request).
- All employees receive a minimum of 4% increase (MOU request).
- Three (3) new firefighters including wages, taxes, benefits, uniforms, PPE, etc. (MOU negotiated)
- New sick leave policy cash out (MOU request).
 - Under the proposed sick leave cash-out policy, the estimated balance of the Employee Benefits Liability Fund will fund 72% of the total estimated liability (vacation and sick leave). To fund the estimated liability at higher levels, it would take the following amounts:
 - 80% - \$58,087.19
 - 90% - \$80,108.92
 - 95% - \$102,130.64
 - 100% - \$124,152.37

He stated a transfer of \$80,110 was budgeted to fund the Employee Benefits Liability Fund at 90% (\$20,000 from the General Fund revenues and \$60,110 from FY2022-2023).

Chief Johnson stated the District is going to request the Mil rate increase to \$ 3.31. He gave an example of a Cornville property to show the net effect of the proposed increase. He stated that the example property has a Full Cash Value of \$1,500,000.00 and the Assessed Limited Value (ALV) is \$103,914. Chief Johnson explained to determine the fire district tax a resident will pay you divide the ALV by 100 and multiply by the Mil rate. The property example he gave currently pays \$3335 for fire district tax, with the proposed increase the resident would pay \$2439. He stated the net change is \$104 annually or \$8.66 per month.

Board Clerk Gilboy asked the amount the District carried over from FY2022-2023. Chief Johnson stated approximately \$300,000.

Board Clerk Gilboy asked what the insurance coverage was for dependents. Chief Johnson stated that it will stay at 80/20. Board Clerk Gilboy asked what the other districts are doing for insurance coverage for dependents. Chief Johnson stated that most districts are 80/20. Chief Johnson stated that there is a new Health Insurance Trust that the District received information from, but currently it is not a better option for health insurance.

Board Clerk Gilboy asked how much the District's Liability Insurance increased. Chief Johnson stated that the District is projecting a 6-7% increase.

Board Clerk Gilboy asked if the proposed MOU changes would affect the Board. Chief Johnson stated the Labor group is currently working on a draft MOU that the Board will approve. Chief Johnson stated that the Union would like to leave the medic stipend open, he stated they would like it to stay open because if the District receives the ambulance rate increase it would allow the District to increase the paramedic pay. Board Clerk Gilboy asked the difference between paramedic and medic. Chief Johnson stated that they are the same.

Board Clerk Gilboy asked what is the highest the Mil rate could go to. Chief Johnson stated that the Mil rate can go to \$3.75, he stated that he would not recommend the District going to \$3.75. Board Clerk Gilboy asked how much revenues would increase with the proposed increase in the Mil rate. Chief Johnson stated approximately \$210,000. He stated these additional funds will allow the District to fund three (3) additional firefighters. Board Clerk Gilboy asked if the three (3) additional firefighters would be paramedics. Chief Johnson stated that we prefer paramedics

but cannot control who applies. Board Clerk Gilboy asked how much the paramedic stipend is. Chief Johnson stated the paramedic stipend is \$2.25 an hour.

Board Member T Bishop asked what changes were made to the pay scale. Chief Johnson stated the District removed the bottom three (3) steps. He stated the District's pay scale is now an eight (8) step pay scale with a three percent (3%) pay increase in between each step. Board Member T Bishop asked if there would ever be a reason an employee did not receive a step increase. Chief Johnson stated the only reason an employee would not receive a step increase would be if that employee was off the scale. Board Member T Bishop asked if the steps were based on hire date. Chief Johnson stated the step schedule is implemented every July.

Chief Johnson asked the Board Members present if they had any questions. Board Clerk Gilboy Peck and Board Member T Bishop stated no.

ADJOURNMENT. With no further business before the Board, the meeting adjourned at 10:40 a.m.

Submitted By:

Approved:

Ashley Hammond, Administrative Specialist

Donald Peck, Board Chairman

Attest:

Coleen Gilboy, Board Clerk

