Minutes of a Regular Meeting of the Board of Directors of the Verde Valley Fire District Held April 28, 2026

A Regular Meeting of the Verde Valley Fire District Board of Directors was held on April 28, 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:
Lisa Elliott, Administrative Manager
Ashley Hammond, Administrative Specialist
Nate Bailey, Fire Marshal
Ted Koehler, Fire Inspector
Cody Harkey, Battalion Chief
Seth Murphy, EMS Captain
Zach Morgan, Firefighter (via Zoom)

Others Present:
Nicolas Cornelius, District Attorney (via Zoom)
Taylor Hammond (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.
No changes.

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 4 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 March 24, 2026, the Joint Special Meeting held on March 31, 2026, and the Budget Workshop held on April 16, 2026.

Board Clerk Peck made a motion to approve the Consent Agenda. Board Member Bishop 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 March 31, 2026 is the ninth month of the fiscal year (FY2025-2026), which equates to 75% of the year-to-date budget.
- The VVFD General Fund balance shown on the bank reconciliation report is $248.00 less than the amount listed on the Balance Sheet due to a check being voided in March after the bank statement had been completed.
- Total cash in the General Fund is $4,278,706.85 (does not include the PSPRS COP Contingency Reserve Fund).
- Payroll liabilities include amounts for payroll corrections and well as outstanding deposits for PSPRS that could not be uploaded due to PSPRS' new system going online.
- Decrease in cash of $401,196 for the month of March.
- Positive cash flow of $1,208,532 for the fiscal year.
- Cash flows show that they are adequate to fund the fiscal year's operations.
- FY2025-2026 Property Tax Revenues received: $125,031.78
- Fire District Assistance Tax (FDAT) Revenues received: $8,654.12.
- The following account explanations are for items occurring within the month of March 2026:
    - Page 3 Account 01-6100-612001 Hiring / Promotion Testing Fees – Captain's promotional process fees.
    - Page 8 Account 01-6600-663001 PSTrax Subscription – Fleet maintenance and truck check software.
    - Page 8 Account 01-6600-667109 2014 Rosenbauer – Credit for previous invoice.
    - Page 9 Account 01-6800-684100 Communications Supplies – Two (2) handheld radios and related equipment.
    - Page 11 Account 02-499000 General Obligations Bonds – Amount of bonds sold. Funds received March 26, 2026.
    - Page 11 Account 02-499100 Premium / Discount on Bond Proceeds – Premium received on bonds issued March 26, 2026.
    - Page 11 Account 02-8000-898000 Disbursement of Loan Proceeds – Payment of bond issuance costs.
- Total operating-only expenditures ONLY (excluding Contingency, Grants, Other Financing Uses) are 15.22% lower than the year-to-date allocation.
- Total General Fund expenditures are 21.34% 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 $5,219,316 (68%) of the FY2025-2026 budgeted Property Tax Revenues.
- For the month of March 2026, there were 128 billable calls. This is an increase of 7 billable calls from the prior month and a year-to-date increase of 118 billable calls from the same timeframe in FY2024-2025.
- Ambulance cash collections of $107,083.46 were received. Year-to-date cash collections have increased $293,881 compared to the same timeframe in FY2024-2025.
- Total Ambulance Billing Receivables were $530,875.06, an increase of $26,182.23 from the prior month.
- For the month of March 2026, $4,893.46 was sent to collections, $0.00 was received. The total amount at collections is $241,338.83.
- Crews have deployed five (5) assignments through March 31, 2026.
    - Payment has been received for all five (5) deployments.

Board Clerk Peck made a motion to approve the Financial Report. Board Member 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.
None

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 Marshal Bailey presented the monthly statistics:

New Permits: 2 Solar
Complaints: 2 total – 0 Invalid, 2 – Referred to County
Inspections: 6 closed inspections, 16 re-inspections (follow-ups), 39 open inspections (new and existing)
General correspondence, including site visits, emails, phone calls, and letters: 43
Occupancy load reviews: 1
Sprinkler Rough-in: 1
Preliminary code reviews: 4 PARS Town on Clarkdale
Residential Knox box installs: 0

Fire Marshal Bailey reported that several significant projects are in process. The Clarkdale Newsstand and apartments are nearing completion, and an assisted living project has submitted a new site development review. Additionally, a small housing project consisting of four one-bedroom duplexes is underway, along with Bradshaw Legacy Living, which is currently in the review process.

Fire Marshal Bailey noted that he and Fire Inspector Koehler recently conducted a fire extinguisher training class, with another session already scheduled, and that they also conducted a car seat event. He stated Fire Inspector Koehler continues to identify outdated or non-compliant items during inspections and is working with the businesses to bring them up to current safety standards.

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.

Battalion Chief Harkey stated that eight new hires began on April 7th, four assigned to Copper Canyon Fire and Medical District (CCFMD) and four to Verde Valley Fire District (VVFD). He noted that they are halfway through the new hire academy and had their first live fire last Saturday.

Battalion Chief Harkey stated that the Captain's testing process has been completed. Engineer Jake McDaniel has been promoted to Captain and Firefighter Guy DeJonge has been promoted to Engineer.

Board Chairman Gilboy asked if CCFMD employees were part of the Captain testing process. Battalion Chief Harkey stated no, this was an internal testing process only.

OLD BUSINESS

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

Battalion Chief Harkey reported that there are no updates. He added that once Chief Johnson returns, Staff will begin working on the next steps for the JPA.

NEW BUSINESS

2024 Fire Code Hearing – A hearing to obtain public input regarding the proposed adoption of the 2024 International Fire Code (IFC) with amendments.

Board Chairman Gilboy opened the 2024 Fire Code Hearing at 5:17 p.m.

There was no public input regarding the 2024 Fire Code Hearing.

Board Chairman Gilboy closed the 2024 Fire Code Hearing at 5:17 p.m.

Resolution 2026-04 2024 International Fire Code with Amendments – Discussion and possible adoption of Resolution 2026-05 a resolution of the Board of Directors of the Verde Valley Fire District adopting the 2024 Edition of the International Fire Code with amendments.

Fire Marshal Bailey explained that the proposed resolution will replace the 2018 edition of the International Fire Code and update the District to the 2024 edition with amendments. He noted that the most significant change in the updated code relates to battery storage.

Board Clerk Peck made a motion to adopt Resolution 2026-05 a resolution of the Board of the Verde Valley Fire District adopting the 2024 Edition of the International Fire Code with amendments. Board Member Bishop seconded the motion. The motion passed unanimously.

Resolution 2026-06 Call of Election – Discussion and possible adoption of Resolution 2026-06 calling for an election on November 3, 2026.

Administrative Manager Lisa Elliott stated that the District is scheduled to hold an election on November 3, 2026, coinciding with the General Election. She noted that the terms of two (2) Board Members, Coleen Gilboy and Donald Peck, will expire in November. She reviewed the election requirements and timeline, and explained that as part of the election process, it is necessary for the Board to adopt a resolution calling for an election. Administrative Manager Lisa Elliott added that the Board of Supervisors will automatically cancel the election if the number of candidates is equal to or less than the number of vacancies.

Board Member Bishop made a motion to adopt Resolution 2026-06 calling for an election on November 3, 2026 to fill two (2) Board vacancies. Board Clerk Peck seconded the motion. The motion passed unanimously.

FY2026-2027 Draft Budget – Presentation and possible direction to Staff for the FY2026-2027 Draft Budget.

Administrative Manager Lisa Elliott presented the FY2026-2027 Draft Budget.

Administrative Manager Lisa Elliott stated that the Budget Summary by Fund now includes the Debt Service Fund and explained that each fund shows the overall increase or decrease in the fund balance. She noted that the General Fund Budget reflects a balanced budget.

Administrative Manager Lisa Elliott stated that Staff is proposing a $0.01 reduction in the mill rate to thank community members for their support in approving the General Obligations Bond. She stated that revenues for "Smart and Safe" (recreational marijuana) were reduced. Administrative Manager Lisa Elliott stated that ambulance revenues include a full year of the District's rate increase, and the District is beginning to see the impact of that pay difference. She noted that Action Ambulance is monitoring the payer mix, which includes five categories: Medicare/Medicaid, AHCCCS, commercial, governmental, and private payers. Administrative Manager Lisa Elliott stated that call volume is up, but there is not enough data to determine whether this trend will continue. She also noted a potential change in Medicare reimbursements, which could decrease reimbursements by approximately 15%.

Administrative Manager Lisa Elliott stated that personnel costs include a 3% market adjustment, and 3% COLA to remain competitive with other agencies. She stated that medic pay would increase from $2.25 to $3.00. She explained that PSPRS COP Contingency Reserve funds have limited allowable uses and cannot be freely applied outside of specific criteria. She noted that contingency funds may be utilized only when the balance exceeds 115% of the original amount, with access limited to the excess over that 15% threshold. Administrative Manager Lisa Elliott stated that health insurance is projected to increase by 5%, with dental insurance increasing by 12%. She also stated that the employer contribution rate is projected to increase by 1.72%. She stated that overtime and backfill costs have increased due to staffing needs and comp time provisions, with employees accruing comp time at time and a half for overtime.

Administrative Manager Lisa Elliott stated the Fire Board budget has election costs budgeted if needed.

Administrative Manager Lisa Elliott stated that in the Administration budget, there were no significant changes. She noted that the small adjustments include switching the District's financial software to the hosted version, which also includes additional Human Resources modules. She added that APS rates increased by 16%, which had already been accounted for in the budget. She also stated there is a change in telephone services, with the District transitioning away from Granite and moving to its IT company.

Administrative Manager Lisa Elliott stated that the building maintenance budget reflects an increase for Stations 31 and 32 to address necessary maintenance and repair items ahead of the second phase of the Bond.

Administrative Manager Lisa Elliott stated that EMS Budget has increased due to major changes in medical direction requirements and new State of Arizona DEA drug rules. She stated the District is moving to a new medical direction model with IMD, including implementation of the Pyxis system and obtaining the District's own DEA license for compliance and coverage.

She added that this change will also address current limitations with out-of-state medical direction for wildland deployments and help ensure operational coverage, including coordination with the wildland unit. She further stated that infectious disease control protocols need to be updated and that a physician will be available for employee advocacy in the event of exposure incidents.

Administrative Lisa Elliott stated that Operations had minimal changes. She explained the District budgets for replacement of 10% of the total turnout sets annually.

Administrative Manager Lisa Elliott stated that the Fleet budget includes renewal of subscriptions, and that fuel costs are currently increasing. She noted that Staff reviewed last year's fuel consumption of approximately 16,000 gallons and increased the budget accordingly as a precaution. She added that repair and maintenance for the engines was also increased. Battalion Chief Harkey stated that this is due to aging fleet, which is resulting in higher maintenance costs.

Administrative Manager Lisa Elliott stated that the Communications budget reflects a 5% annual increase for dispatching services. She noted that cell phone costs also show an increase, and that if the related grant is not renewed, the District would not continue the 3AM program; however, funding is included as a precaution.

Board Chairman Gilboy asked when the grant is set to end. Administrative Manager Lisa Elliott responded that it is anticipated to end in November. Board Chairman Gilboy further asked if the Board would be included in discussions prior to any decisions. Administrative Manager Lisa Elliott confirmed that they would be.

Administrative Manager Lisa Elliott stated that Staff has applied for several grants, including funding for an additional ambulance, turnout gear through Firehouse Subs, and a new battalion chief vehicle through the Gila River Indian Community Foundation.

Administrative Manager Lisa Elliott stated that Debt Service includes PSPRS payments and SBITA costs. Capital transfers are increasing annually with $350,000 allocated in FY26-27 and a long-term goal of $1 million.

Administrative Manager Lisa Elliott stated that Capital projects are significantly impacted by bond funding, with potential expenditures of approximately $5 million in the first phase.

Administrative Manager Lisa Elliott stated that the Wildland Fund is based entirely on deployment activity and projected revenue, with no impact to the District's core operational budget. She also noted that the Employee Liability Benefit Fund is currently funded at approximately 90% of projected needs.

Administrative Manager Lisa Elliott explained that the Debt Service Fund is utilized to collect property tax revenues designated for General Obligation Bond obligations and to make the associated debt service payments.

EXECUTIVE SESSION

Ambulance Billing – Possible vote to go into Executive Session for legal advice pursuant to A.R.S. § 38-431.03 A.3 for discussion or consultation for legal advice with the attorney or attorneys of the public body.

Administrative Manager Lisa Elliott recommended going into Executive Session for item 12. A, Ambulance Billing. Board Chairman Gilboy stated the Board would go into Executive Session for item 12. A, Ambulance Billing.

Administrative Manager Lisa Elliott attended the Executive Session to provide information and take minutes, along with Nicolas Cornelius, for legal advice.

The Board entered Executive Session at 5:50 p.m.

RECONVENE INTO PUBLIC SESSION

Ambulance Billing – Discussion and possible direction to Staff regarding ambulance billing matters.

The Board resumed Public Session at 5:59 p.m.

Board Chairman Gilboy directed Staff as directed in Executive Session.

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

ADJOURNMENT. With no further business before the Board, the meeting adjourned at 5:59 p.m.

Submitted By:

Ashley Hammond, Administrative Specialist

Approved:

Coleen Gilboy, Board Chairman

Attest:

Donald Peck, Board Clerk