

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

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

Board of Directors:

Kenneth Bishop, Chairman
Robert Brummett, Board Clerk
Donald Peck
Coleen Gilboy
Timothy Bishop

Staff Present:

Danny Johnson, Fire Chief
Lisa Elliott, Administrative Manager
Ashley Hammond, Administrative Assistant
Dean Koropatnicki, Battalion Chief
Richard Wintermute, Captain / Union VP Local 3690 (via zoom)

Others Present:

Brian Hemmerle, Henry + Horne (via zoom)

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

ROLL CALL – Board Member Bishop arrived at 5:03p.m.; 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 77 U.S. firefighters who lost their lives in the line of duty in 2022 to date.

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

Board Member Gilboy made a motion to move item 11A, FY2021-2022 Audit Report, to next on the agenda. Board Clerk Brummett seconded the motion. The motion passed unanimously.

FY2021-2022 Audit Report – Presentation, discussion and possible approval of the FY2021-2022 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, 2022. He stated this is the fourth (4th) year of doing the audit for Verde Valley Fire District out of the five (5) year audit contract. He reviewed the financial statements in the audit report and noted that they are materially correct. He stated they audit using a materiality threshold and statistic sampling reviewing whether or not there are any controlled deficiencies.

Mr. Hemmerle stated this year they did not find any controlled deficiencies, no material weaknesses, no significant weaknesses, and no comments that needed to be written or verbal noting it was a very clean audit.

He stated that there is a new government accounting standard for leases and SBITA'a (subscription-based information technology arrangements). He stated their opinion was not modified with respect to this matter. He stated

that they do give an opinion on the District's compliance with laws, contracts, grant agreements, debt covenants or any regulations of the State, and that there were no reportable incidents of non-compliance during the audit this year.

He explained that the Management's Discussion and Analysis is not audited and is prepared by the management team and shows the difference from the prior year. The auditors make sure that nothing contradicts with the financial statements; Mr. Hemmerle stated that the information in the Management's Discussion and Analysis does agree to the audited financial statements.

Mr. Hemmerle noted that the biggest change on the financial statements this year relates to the refunding of pension obligations with PSPRS. He stated for government accounting when you pay off your pension liability debt it is always one (1) year behind what the actuaries have reported, causing the debt and net pension to show on the report. Next year the pension liability will come off the statement of net position and the deferred outflows will drastically drop down how they normally are from year to year.

He noted the increase on the statement of activities sheet in equity in the amount of \$280,000.

Mr. Hemmerle stated that as mentioned earlier with the new government accounting standard all leases must be shown on the balance sheet.

He stated there were no finding and a clean opinion on this audit report.

The Board had no questions for Mr. Hemmerle.

Chief Johnson thanked Mr. Hemmerle and his firm for all their work on the audit.

Board Member Gilboy made a motion to approve the FY2021-2022 Financial Statements and Audit Report for Verde Valley Fire District. Board Clerk Brummett seconded the motion. The motion passed unanimously.

MINUTES – Discussion and consideration of the minutes of the Regular Meeting held on September 27, 2022.
Board Clerk Brummett made a motion to approve the minutes of the Regular Meeting held on September 27, 2022.
Board Member Bishop 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 Lisa Elliott reviewed the written financial reports noting the following:

- The District is 25% through the fiscal year.
 - Administrative Manager Lisa Elliott stated that she rearranged the order of the funds reported in the general bank fund on the bank reconciliation summary report so that it would be easier to compare to the balance sheet.
- Total cash in the General Fund and ambulance account is \$738,224.63 (does not include the PSPRS COP Contingency Reserve Fund.)
- Decrease in cash of \$376,234 for the month of September.
 - Administrative Manager Lisa Elliott stated this is normal for this time of year until we receive our first influx of property tax revenues in October and November.
- Cash flows show that they are adequate to fund the fiscal year's operations.
- Property Tax Revenues received in September: \$48,162.46.
- Fire District Assistance Tax (FDAT) received in September: \$5,797.14.
- Total operating-only expenditures were 8.98% lower than the year-to-date allocation.
- Total General Fund expenditures were 8.98% lower than the year-to-date allocation.

- Ambulance cash collections of \$83,259.70 and 102 billable calls in the month. Decrease of sixteen (16) calls from September 2022 and a year-to-date increase of one (1) call compared to the same timeframe in FY2021-2022.
- \$65.00 received from the collection agency in August.
- Crews have deployed on six (6) assignments in FY2022-2023, invoices had not been submitted for all deployments.

Board Member Gilboy made a motion to approve the Financial Report. Board Clerk Brummett 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 stated he attended the Cornville Community station meeting that Chief Johnson spoke at about Prop 310 and commented that Chief Johnson did a great job.

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 Richard Wintermute stated that Prop 310 campaign is moving right along, signage up all around the state and encouraged everyone to visit the website voteyeson310.com as well as Facebook and Instagram.

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.

Chief Johnson stated Fire Inspector Danny Hinds is attending the arson investigation training course in Mesa, AZ. Chief Johnson stated Fire Inspector Danny Hinds attended the Verde Villages Property Association meeting discussing water resources as well as Prop 310. Chief Johnson stated that Fire Inspector Danny Hinds has been working with the Town of Clarkdale developing emergency operation plans for the annual Trunk or Treat, Chief Johnson noted while speaking with a representative from Clarkdale they spoke very highly of Fire Inspector Danny Hinds. Chief Johnson stated that Fire Inspector Danny Hinds and Administrative Assistant Ashley Hammond have joined the LAFS (Life and Fire Safety) program.

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; human resource updates; finance updates; special projects; District SOPS's/SOG's; wildland assignments; out-of-District billing process; COVID funding; AFDA updates; and other potential updates.

Chief Johnson reported on items from his report including:

- Cottonwood Journal review meeting
- AFDA Board Meeting
- AZFCA CEOP Class in Mesa
 - Chief Johnson stated he completed the one (1) year Chief Executor Officer Program. He stated it was a great opportunity and worth the commitment.
- Cornville Community Station Meeting
- Verde Valley OPS Meeting
 - Chief Johnson stated this is going to begin to be a monthly meeting to look at operations on a task level in the District.

- Anniversary of Tyrone Bell's LODD
 - Chief Johnson stated members of the organization were able to get together to remember and honor Tyrone Bell.
 - Clarkdale Department Head Meeting
 - Meeting with Supervisor Gregory
 - Chief Johnson stated he had a meeting with Supervisor Gregory and has enjoyed to continue to build a relationship with the County at a political level.
 - Verde Valley Fire Board Meeting
 - Monthly Staff Meeting
 - Yavapai County Chiefs Meeting
 - Human Resources
 - Firefighter DeJonge and LaMaide have successfully completed probation.
 - Chief Johnson stated Firefighter DeJonge and LaMaide have completed their probation and are no full-time firefighters, commenting how great it is to have them and all they bring to the origination.
 - Firefighter Ethan Church has begun probation as a full-time firefighter.
 - Finance
 - Awarded the regional grant that was submitted for the Comprehensive Cancer Screening.
 - Special Projects
 - Preliminary cost estimates were submitted to Securis for consideration in the disbursement in the Governor's COVID and general pandemic eligible expenses. The hail damage to A321 has been repaired and is back in service.
 - Board Member Gilboy asked the estimated amount that was submitted to Securis, Chief Johnson replied roughly \$300,000.00
 - Board Member Gilboy asked if we were credited the difference of the initial claim, we submitted for a new hood for A321. Chief Johnson replied yes, we were only charged for the repairs and not a new hood.
 - Wildland Assignments / Mutual Aid
 - No wildland assignments this month. Verde Valley Fire was able to provide backfill for CAFMA while they attended the funeral for Captain Zach Fields.
 - Out of District Billing Process
 - Total of \$126,160.95 billed for OOD response
 - Total collected \$52,246.27
 - Total credited \$25,500.00
 - Board Member Gilboy asked if Salt River Cement Plant had paid all their OOD invoices, Chief Johnson replied yes.
 - County and State Updates
 - AFDA Updates – Legislative updates.
 - Chief Johnson stated voting centers opened last Wednesday, October 12, 2022. He stated the campaign stoop up multiple digital billboards along the state's freeways and state highways encouraging voters to vote YES on Prop 310. Prop 310 is estimated to generate \$150M annually to support fire district operations statewide and is critical to improve the delivery of fire and EMS throughout rural Arizona.
- Board Member Gilboy asked, "if the ACT (Arizona Crisis Team) was a good program?" Chief Johnson replied yes, it's a great service and a great resource to our District. He explained the service they provide to our patients that have had a tragic event.

Union Vice President Richard Wintermute stated they use ACT frequently and it's a great resource.

OLD BUSINESS – None.

NEW BUSINESS

Budget Overage – Discussion and possible approval to exceed the FY2022-2023 budgeted amount for Department Meetings / Employee Recognition, account 01-6100-614700.

Chief Johnson stated there has been an organization push and request not only from the firefighters but from their families as well to bring back the events that build that Verde Valley Fire District family. Chief Johnson stated Verde Valley Fire District would like to have an Employee Appreciation Banquet. He said the banquet is in process of being planned and it will be held on April 1, 2022 at the Cottonwood Fairgrounds. Chief Johnson stated the Cottonwood Fairgrounds is a central location that will allow the on-duty crews to attend as well. Chief Johnson stated they are asking the Board to roll over some of the savings from not having a Board election this year to the employee recognition line item that would allow for deposits to be made and purchase awards. Chief Johnson stated that if this event is successful and they are able to recuperate some of these costs, they would refund the money back to the funded balance. Chief Johnson stated they would like to exceed the budgeted employee recognition line item by \$7,500.00

Board Member Gilboy asked, "if she was a conflict of interest working at the Cottonwood Fairgrounds?" Chief Johnson replied no since there is no money exchanging between Verde Valley Fire District and Cottonwood Fairgrounds.

Board Member Gilboy asked, "if they were wanting to add to the budgeted line item to equal the amount of \$7,500.00? Chief Johnson stated they would like to add an additional of \$7,500.00 equaling the total amount of \$9,500.00

Board Member Gilboy made a motion to approve exceeding the FY2022-2023 budgeted amount for Department Meetings / Employee Recognition in the amount of \$9,500.00. Board Clerk Brummett seconded the motion.

Administrative Manager Lisa Elliott corrected that the amount exceeding is \$7,500.00 totaling the employee recognition line item to equal \$9,500.00

After discussion the Board agreed to leave the employee recognition line item at \$9,500.00

Board Member Gilboy asked, "who they were reaching out to for sponsorship?" Chief Johnson stated that there is a group of members working on getting corporate sponsors in the community, he noted that he wanting to keep this a separate event creating its own entity. He stated that he does not have a list of businesses the group is reaching out to for sponsorship.

The motion passed unanimously.

Purchasing Policy – Discussion and possible direction to Staff regarding revising the Purchasing Policy.

Chief Johnson stated the District has been working on updating procedures and policies in administrative, operational and EMS. He noted that the Purchasing Policy hasn't been updated in three (3) years and would like to have discussion with the Board on possibly updating this policy and increasing budgeted approval levels.

Board Member Gilboy asked, "what are the statutory requirements for purchasing items?" Chief Johnson stated there is not many statutory requirements that fire district have to follow, he noted that it is best practice and what they want to do an organization.

Board Member Gilboy stated that over the last few years they have increase the credit card allowances. Se stated she would like to continue to be diligent in the purchasing policies with required backup and bid processes.

Administrative Manager Lisa Elliott stated that they would still follow the required processes but was asking the Board if they would be open to increasing the purchasing limit. She explained the current limits and what they require. She mentioned a lot of these larger projects and items being requested have already been discussed in the budget process. She asked, "if these projects and items have already been approved in the budget if we still need to get approval again at these limits?"

Board Member Gilbo stated that even though these large projects and items have been discussed in the budget process she still thinks they need approval if necessary, depending on the cost.

Chief Johnson stated that the District is running into issues with the \$5,000.00 purchasing requirements. He stated that the District has a lot of equipment that is above the \$5,000 threshold and we are limited with vendors in the Verde Valley to get the three (3) bids that are required in the current purchasing policy. He asked if the Board would be interest at looking at some proposals of purchasing policies.

Board Member Gilbo asked, "what are some current purchasing policies?"

Administrative Manager Lisa Elliott presented two (2) examples of purchasing policies, the two (2) examples included the Town of Clarkdale and the Town of Camp Verde.

Board Member Peck asked, "if the District was wanting to change the whole purchasing policy or just the approval of the larger purchasing amounts?"

Administrative Manager Lisa Elliott stated there are corrections that need to be made in the purchasing policy, noting that in the current policy it states purchases under \$50.00 are to be made using the petty cash fund. She stated we no longer have a petty cash fund.

Board Member Gilbo stated that the presented examples of purchasing policies are from towns and that she would like to see an example from a fire district. She stated that she would be comfortable with Chief's approval up to \$9,999.00 but over \$10,000.00 she would want Board approval.

Chief Johnson stated that he received good direction from the Board and they will continue to work on getting examples of purchasing policies that other fire districts are using.

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

Board Member Oath of Office.

ADJOURNMENT. With no further business before the Board, the meeting adjourned at 5:38 p.m.

Submitted By:

Approved:

Ashley Hammond, Administrative Specialist

Ken Bishop, Board Chairman

Attest:

Robert Brummett, Board Clerk