

**CENTRAL YAVAPAI FIRE DISTRICT
BOARD OF DIRECTORS**

and

**CHINO VALLEY FIRE DISTRICT
BOARD OF DIRECTORS**

SPECIAL SESSION MINUTES

July 29, 2015

1. CALL TO ORDER / ROLL CALL OF BOARD MEMBERS

Central Yavapai Fire District (CYFD) Board Chairman Rutherford called the Central Yavapai Fire District Special Session Board meeting to order on Wednesday, July 29, 2015 at 4:00 p.m. at Central Yavapai Fire District Regional Training Academy, 9601 E. Valley Road, Prescott Valley, Arizona.

Central Yavapai Fire District Members Present

Board Chairman Steve Rutherford, Board Members ViciLee Jacobs, Darlene Packard, and Tom Steele

Central Yavapai Fire District Members Absent

Board Clerk Bob Page

Central Yavapai Fire District Staff Present

Assistant Chief of Administration Dave Tharp, Administrative/IT Assistant Laura Mowrer, and Office Assistant Anna Corbiere

Central Yavapai Fire District Legal Counsel Present

Attorney Nick Cornelius

Chino Valley Fire District (CVFD) Board Chair Ducote called the Chino Valley Fire District Special Board meeting to order on Wednesday, July 29, 2015 at 4:01 p.m. at Central Yavapai Fire District Regional Training Academy, 9601 E. Valley Road, Prescott Valley, Arizona.

Chino Valley Fire District Members Present

Board Chairperson Cyndy Ducote, Board Members Karrie Blum, David McConnell, and Julie Pettit

Chino Valley Fire District Members Absent

Board Clerk Dave Dobbs

Chino Valley Fire District Staff Present

Fire Chief Scott Freitag

Chino Valley Fire District Legal Counsel Present

Attorney Nick Cornelius

Others in Attendance

Members of the public

2. PLEDGE OF ALLEGIANCE

CYFD Board Chairman Rutherford led the recitation of the Pledge of Allegiance.

3. CALL TO THE PUBLIC

CYFD Chairman Rutherford stated that those wishing to address either Fire District Board complete a request form for the record. He requested those wanting to speak to raise their hand and asked that comments be limited to 3 minutes.

Citizen of Dewey, Earl Goodwin addressed the Boards. He stated his past experience with budgets and management. He commented that focusing on the tax rate is not an appropriate way for a governing board to review the budget for the Fire District. He stated that it is his opinion that the focus should be on the tax levy. He explained that the Board should look at a cost to serve each household after factoring out the commercial property. He expressed his support of combining the Districts.

Citizen of Chino Valley, Al Gibbons addressed the Boards. He expressed his concern regarding the inconvenience of the time and location of the meeting. He stated that there is misinformation circulating in the community, and he encouraged the Board to put the matter of combining the Districts to a vote. He stated that the residents should rename the District, not the employees as the employees work for the residents.

Citizen of Prescott Valley, Ned Cantrell addressed the Boards. He expressed his concern of increased taxes and more government. He mentioned a newspaper article and stated that there could be a 13.5% tax increase for Central Yavapai residents. He stated that if taxes keep increasing, the citizens will not be able to afford them relating stories about his neighbors on fixed incomes. He stated that

29% of firefighters in the United States are paid, and the remaining are volunteers and inferred that the organization may need to look at all options.

4. NEW BUSINESS

Items were taken out of order.

B. Discussion and Possible Action Regarding Joint Management Agreement Between Central Yavapai and Chino Valley Fire Districts

Chief Freitag introduced himself to the audience. He stated that for clarification purposes he would review the successes of the Joint Management Agreement (JMA) and that would lead directly into the presentation on the Joint Powers Authority (JPA). He gave an introduction of how the Districts have arrived to where we are today with the JMA between Central Yavapai and Chino Valley Fire Districts.

Chief Freitag stated that he believes last year was a success under the Joint Management Agreement (JMA) and it has provided an opportunity for us to see what is happening statewide. He explained that there have been great benefits to both Districts with senior staff working together. Chief Freitag explained that with Prop 117 all property values must have a 5% increase to allow fire districts to realize the full 5% revenue increase and this affects all fire districts in the state.

Chief Freitag referenced Chairman Rutherford's research and mentioned that 40% of fire districts across the state are at \$3.00 or higher and are approaching the \$3.25 cap. The projection is that within the next few years the percentage is going to rise to 60%. Chief Tharp explained that there are 18 fire districts within Yavapai County and of those 18 districts, 61% are already at \$3.00 or higher. Seven of those districts are under the \$3.00 limit. Another statistic is that 92.6% of the emergency response capabilities in Yavapai County are fire districts. When those agencies face revenue shortages, there becomes a concern regarding the ability of the County to respond to natural disasters or wildland events. The purpose behind the JMA was to find a way to operate more efficiently and effectively, which has been accomplished over the last year.

Chief Freitag and members of senior staff proceeded with a detailed presentation of the pros and cons of mergers, Joint Power Authority (Fire Authority) and recommendations base on the research and findings. (The presentation is included at the end of this document.) He explained that we are recommending a Joint Power Authority under Arizona Revised Statute Title 48, not a merger.

Following the presentation, Chief Freitag asked for questions or input from the Boards.

Chairman Rutherford commented that in his opinion, he cannot see anything that would be a deal breaker. He stated that this topic has been discussed for several years. He commented on the success and savings of the JMA, and stated that there have been additional savings that were not seen initially. He thanked the elected officials that were in attendance.

Board Member McConnell stated that he has not seen any negatives on moving forward with the JPA. He agreed that this is something that we need to do. Both organizations need this agreement to save money now and in the future.

Board Member Pettit stated that although she is new to the Fire Board, she has a purchasing background and she sees a purchasing power advantage that would be gained with the JPA. This is beneficial to taxpayers in that it creates more opportunity for both agencies to save money. She thanked staff for their efforts in presenting information and for their thoroughness and professionalism.

Board Member Packard stated the JPA is a "win-win" for the Districts as well as the taxpayers.

Board Member Jacobs agreed that there are benefits to the community, the firefighters, and all the members within the District to proceed with the JPA.

Board Member Steele expressed appreciation for Chief Freitag in his efforts to cover the material with him, and he is in support of moving forward.

Chairman Rutherford encouraged staff to continue educational efforts both internally and externally and be open to feedback. He expressed gratitude towards members of CYFD for their input and participation on this matter.

Chairman Rutherford solicited comments from the public.

CYFD resident Larry Jacobs stated that he sees the JPA being an efficient way of operating the Districts. He believes it would be important to review policies and procedures to ensure they are the same for both organizations.

Chief Freitag stated that since the JMA started, we have been reviewing policies and standard operating procedures to ensure they are aligned.

Prescott Fire Chief Dennis Light stated that moving from the JMA to a JPA is a sensible move, and he commented on the operational viability and strengthening service in the area to other agencies.

Al Gibbons stated his gratitude for the information that was presented. He presented questions as to the structure, funding, and creation of the JPA.

Chief Freitag stated that we will continue to utilize existing staff and current facilities. Between the Districts we would save \$178,000 if operated together. He

explained that access to Board Members would not change. The authority Board would be made up of the Chino and Central Board Members.

Chairman Rutherford reiterated that the \$178,000 was above the savings we have already realized with the JMA.

Noel Campbell State Representative for District 1 asked if there was a way to bring Prescott Fire Department into the agreement.

Fire Chief Light was permitted by the Fire Boards to respond, stating that there are complexities between combining a fire district and a municipality, because of the way they are funded. There are also legislative challenges in blending the two types of organizations. He stated that senior leadership from the agencies has been working to improve shared resources and efficiencies. They have already developed a business plan for regional training and EMS training.

A. Presentation on Blending Central Yavapai and Chino Valley Fire Districts

This item was discussed under Item B. Discussion and Possible Action Regarding Joint Management Agreement between Central Yavapai and Chino Valley Fire Districts

C. Discussion and Possible Action Regarding Fiscal Year 2015-2016 Goals

Chief Freitag stated that the goals being presented are drafts and explained that this they have also been reformatted. The new format now indicates who is assigned to the task, the associated costs, and percentage of completion. The goals are divided by division. He recommended the Board review the goals prior to the August meeting and provide their recommendations at that time.

5. VOTE TO GO INTO EXECUTIVE SESSION

A. Legal Advice Pursuant to A.R.S. §38-431.03(A)(3) Re: Joint Management Agreement (JMA) between Central Yavapai and Chino Valley Fire Districts

B. Personnel Issue Pursuant to A.R.S. §38-431.03(A)(1) Regarding Chief Freitag's Annual Evaluation

Board Member Steele made a motion to adjourn into Executive Session for legal advice pursuant to A.R.S. §38-431.03(A)(3) re: Joint Management Agreement (JMA) between Central Yavapai and Chino Valley Fire Districts and for personnel issue pursuant to A.R.S. §38-431.03(A)(1) regarding Chief Freitag's annual evaluation. Board Member Jacobs seconded the motion. MOTION CARRIED

AYES: Rutherford, Steele, Jacobs, Packard
NAYS: None

Member McConnell made a motion to adjourn into Executive session legal advice pursuant to A.R.S. §38-431.03(A)(3) re: Joint Management Agreement (JMA) between Central Yavapai and Chino Valley Fire Districts and for personnel issue pursuant to A.R.S. §38-431.03(A)(1) regarding Chief Freitag's annual evaluation. Board Member Pettit seconded the motion. MOTION CARRIED

AYES: Ducote, Blum, McConnell, Pettit
NAYS: None

Both Boards adjourned into Executive Session 5:38 p.m.

CYFD Board reconvened into Public Session at 6:47 p.m.

CVFD Board reconvened into Public Session at 6:47 p.m.

6. NEW BUSINESS CONTINUED

A. Discussion and Any Necessary Action Related to Chief Freitag's Evaluation

No discussion.

B. Discussion and Any Necessary Action Related to Joint Management Agreement (JMA) between Central Yavapai and Chino Valley Fire Districts

Staff was directed by the Boards to include a draft Joint Powers Authority contract on the Board Meeting agenda for next month.

7. ADJOURNMENT

Board Member Jacobs made a motion to adjourn. Board Member Steele seconded the motion. MOTION CARRIED

AYES: Steele, Jacobs, Packard
NAYS: None

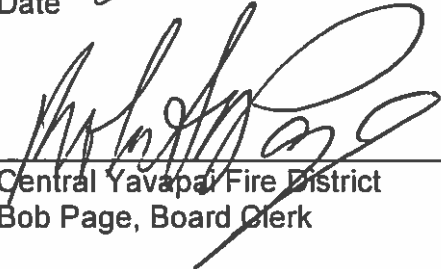
The Central Yavapai Fire District meeting was adjourned at 6:48 p.m.

Board Member McConnell made a motion to adjourn. Board Member Blum seconded the motion. MOTION CARRIED


AYES: Ducote, Blum, McConnell, Pettit
NAYS: None

Board Chairperson Ducote adjourned the Chino Valley Fire District meeting at 6:48 p.m.

8-18-13
Date


Central Yavapai Fire District
Bob Page, Board Clerk

8/20/2015
Date


Chino Valley Fire District
Dave Dobbs, Board Clerk
JULIE PETTIT