

CENTRAL YAVAPAI FIRE DISTRICT
FIRE BOARD
REGULAR SESSION

June 16, 2015

MINUTES

1. CALL TO ORDER / ROLL CALL OF BOARD MEMBERS

Board Clerk Page called the Fire Board meeting to order on Tuesday, June 16, 2015 at 2:01 p.m. at Prescott Valley Public Library Auditorium, 7401 E. Civic Circle, Prescott Valley, Arizona.

Members Present: Board Chairman Steve Rutherford (listening telephonically)
Board Clerk, Bob Page, Board Members, ViciLee Jacobs,
Darlene Packard, and Tom Steele

Members Absent: None

Staff: Fire Chief Scott Freitag, Assistant Chief of Administration
Dave Tharp, Administrative/IT Assistant Laura Mowrer

Others in Attendance: Attorney Nick Cornelius

Due to Chairman Rutherford listening telephonically, Board Clerk Page will be acting as Board Chairman. Board Member Steele will be presiding as Clerk.

2. PLEDGE OF ALLEGIANCE

Chairman Page led the recitation of the Pledge of Allegiance

3. PRESENTATION

A. Prescott Valley Town Council Report

Prescott Valley Town Council Member Mike Whiting presented information related to Town building permits that were issued in May.

B. Presentation Regarding Merger and Fire Authority Possibilities with Chino Valley Fire District

Chief Freitag presented the differences between Chino Valley and Central Yavapai Fire Districts options of a merger or forming a joint powers authority (JPA). Under a merger, both districts would be combined with one tax rate and a new entity would be formed. There would be one board of directors and one

budget. However, since there is only one entity, there would be the loss of one district's fire district assistance tax (FDAT) revenue. This would cause an additional \$280,000 deficit.

If a JPA is formed, the JPA would be a third legal entity and Chino and Central would still exist and both districts would still receive their FDAT. The districts would be pass through agencies as the JPA does not have authority to assess taxes. Therefore, the district's tax rates would remain separate. The JPA is a separate organization that oversees the districts and sets the budget with separate tax rates for each district. The districts would still be responsible for holding their own elections.

Due to the size of the agencies, a five member board would be created for the JPA. Three board members from Central and two members from Chino would serve on the JPA Board. It is possible to increase to seven Board members if so desired. The current board members would elect the members of the JPA, creating a third board. It is possible to increase the JPA board to seven members if desired.

The main goal of cost containment will be accomplished with bringing both agencies together as the calculations are performed differently with one larger entity allowing for additional savings. There are projected costs savings for property and casualty insurance, in addition to cost avoidance under the current joint management agreement (JMA). We are saving approximately \$190,000 per year with a joint fire chief and saved \$65,000 this year due to not having to remodel the administrative offices.

Bringing the two agencies together will provide for increased efficiencies in operations. Currently, if Central is down to minimum staffing and someone is ill, Central has to pay overtime to fill that position. With the agencies combined, we would have additional resources from Chino to consider prior to paying overtime.

The operations of a JPA are a little more complicated with three sets of financials, three boards, and three audits. However, it is not very burdensome as the individual agencies would have minimal financial transactions. A possible workaround with three boards is to have all the board meetings on the same day. Each agency would hold brief board meeting and then the JPA board would have the larger meeting.

Chief Freitag explained that under a JPA the gap in the tax rates would eventually diminish and then the two districts could merge.

Chief Bliss explained that if there was a choice, a merger would be a little cleaner; however, it is not currently possible with the difference in tax rate. If Central and Chino merged, Central's tax rate would be about \$2.70. Under a JPA

Central would be near \$2.53 and Chino would be \$3.25. Chief Bliss presented the Board with a graph indicating that the merger option is the most costly as the FDAT would be lost. The JPA will be slightly more expensive due to some duplication that will be required, but both districts would still receive their FDAT revenue. Current bonds would continue to be paid and moving forward, the individual district would have authority to pursue future bonds. The JPA provides the best tax rate for Central.

Chief Tharp explained that union representatives from both districts have already been working on resolving differences between districts. We should be able to merge Chino members into Central's wage scales and with a JPA possibly end their wage freeze that has been in place for seven years.

Chief Bliss stated that his projections include bringing Chino members into Central's pay structure, allowing for pay increases.

Chief Freitag mentioned that Central is not picking up the tab for Chino members. Chino members would still be under their tax rate. He stated that there was discussion with PSPRS, and PSPRS are preparing an actuarial for bringing the districts into one agency. He explained that there appears to be other savings; however, they are being conservative.

Chief Freitag stated that approximately \$100,000 is required for a name change. This would include uniforms, vehicles, stationary, etc. However, items such as uniforms are already in the budget as an annual expense.

Chief Tharp mentioned that a JPA has not happened in Arizona and this is still in the preliminary stages. Many other organizations are watching as they are facing difficult financial situations also. There will be many presentations and the projected deadline is July 1, 2016. There are numerous items that will need to be addressed such as applying for a new EIN Number, setting up retirement plans for both organizations, administration functions, etc.

Chief Freitag stated that he would like to have a public hearing during the regularly scheduled Board meetings. Ultimately, he would like Board approval by October 2015 to move forward. If the Boards are comfortable prior to October, that would assist staff with the timeline.

Chief Freitag stated that we are currently working very lean; however, with the savings under a JPA, we could afford an additional administration position. The goal is to create a JPA and once the tax rates come together, we could progress to a merger. Chief explained that it took an agency in Colorado eight years to bring the tax rates down to allow for merging.

Board Member Packard asked if staff could provide a listing of the pros and cons between a merger and joint powers authority.

4. PUBLIC HEARING FISCAL YEAR 2015-2016 BUDGET

Chairman Page opened the Fiscal Year 2015-2016 Budget Hearing for public comments at 2:47 p.m.

No comments.

Chairman Page declared the Fiscal Year 2015-2016 Budget Hearing closed at 2:48 p.m.

5. CALL TO THE PUBLIC

Those wishing to address the Central Yavapai Fire District Board need not request permission in advance. The Fire District Board is not permitted to discuss or take action on any item raised in the Call to the Public due to restrictions of the Open Meeting Law; however, individual Board members may be permitted to respond to criticism directed to them. Otherwise, the Board may direct the staff to review the matter or the matter be placed on a future agenda.

Bill Brookins, Central Yavapai Fire District Fire Corps Coordinator, explained the Fire Corps Program to the Board. Fire Corps members are volunteers that must be at least 18 years old and they have to commit to a minimum of four hours per week. They assist the District in non-emergency roles in the Warehouse, Fire Prevention, Fleet Maintenance, and Administration. Bill would like to expand the program with adding hydrant servicing, Child Passenger Safety Program, and routine vehicle checks. These volunteers could also assist the community with smoke alarm issues.

Bill would like to add about a dozen more volunteers. If you would like to volunteer, you may find an application on our website at www.centalyavapaifire.org under Administration and employment or stop by the main office at 8555 E. Yavapai Road, Prescott Valley.

6. CONSENT AGENDA

All matters listed under Consent Agenda are considered to be routine by the Central Yavapai Fire District Board and will be enacted by one motion. There will be no separate discussion on these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately for discussion and possible action.

- A. Approve May 19, 2015 Regular Session Minutes
- B. Approve May 19, 2015 Executive Session Minutes
- C. Approve General Fund Financial Statements
- D. Approve Bond Debt Service Financial Statements
- E. Approve Fee for Services Agreement with Prescott Valley Event Center LLC

These items were removed from the consent agenda.

- F. Approve Addendum to Professional Services Contract with Prescott National Forest-Fuel Management
- G. Approve Yavapai County Attorney Waiver of Conflict for Communications Systems Agreement

Board Member Packard made a motion to approve the consent agenda. Board Clerk Steele seconded the motion. MOTION CARRIED

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

7. REPORTS AND CORRESPONDENCE

A. Letters from the Public

Chief Freitag mentioned that crews do send cards out wishing them well and we have received some feedback from individuals that received those cards. He also pointed out the thank you letters regarding the Fire Ops 101 Program.

Chairman Page mentioned several letters for Fire Pal Shaun Jones and Dillon Russell for their excellent teaching. Many other letters were received such as one for Captain Jeff Kuykendall for him assisting with testing.

B. Monthly Division Reports-Report from the Fire Chief and staff in regard to current activities of the Fire District and the status and progress relating thereto

Chief Freitag stated he will be attending the Arizona Fire District Association meeting at the end of the month and also has scheduled a meeting to speak with the agency in Colorado that created a JPA. He has been appointed to a subcommittee of the International Association of Fire Chiefs studying and developing recommendations for higher education and professional credentials for fire chiefs across the country. He will also be the career district representative for AFDA which is an opportunity for him to get a little more involved in the organization; however, it does not require him to do more than he was already doing with staying current on legislative activities.

Chief Tharp explained that he is closing out the financial year and preparing for the annual audit.

Chief Freitag mentioned that we are hiring Fire Inspector II with the retirement of Fire Inspector Steve Emery.

Chief Bliss stated that there is also a Fire Mechanic I job opening.

8. NEW BUSINESS

A. Approve Resolution 15-02 and Fiscal Year 2015-2016 Final Budget

Chairman Page read Resolution 15-02 for the record.

Steele made a motion to approve Resolution 15-02 and Fiscal Year 2015-2016 Budget in the amount of \$16,735,646. Board Member Packard seconded the motion. MOTION CARRIED

AYES: Jacobs, Packard, Page, Steele

NAYS: None

Chief Tharp explained that the five-year budget projections are included with the budget. The calculations are based on estimated costs for PSPRS.

Chief Freitag clarified that the projections are based on the current joint management agreement.

Item C was taken out of order.

C. Approve Fiscal Year 2015-2016 Bond Repayment Tax Rate

Chief Tharp explained that this tax rate is for the three separate bonds that we currently have in place. The 2005 bond debt will be gone in two years. The Board is required to set this rate so that the County can apply the levy. This rate is levied in addition to the base tax rate.

Board Member Packard made a motion to approve Fiscal Year 2015-2016 Bond Tax Levy of \$0.2497. Board Clerk Steele seconded the motion. MOTION CARRIED

AYES: Jacobs, Packard, Page, Steele

NAYS: None

B. Approve Fiscal Certification Fiscal Year 2015-2016 Budget

Board Clerk Steele made a motion to approve certification for Fiscal Year 2015-2016. Board Member Packard seconded the motion. MOTION CARRIED

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

D. Approve Sick Leave / Vacation Buyback Fixed Amount or Percentage for Post Employment Health Plan (PEHP) for Fiscal Year 2015-2016

Chief Tharp explained that this is an employer sponsored plan and allows employees, upon leaving employment, to deposit a portion of their sick and vacation leave into their post-employment health plan (PEHP). Those eligible for retirement have all requested that 100% of their sick and vacation leave be deposited into the PEHP.

Board Member Jacobs made a motion to approve 100% of sick and vacation pay to be deposited into employee's post employment health plan (PEHP-06) upon termination. Board Member Packard seconded the motion.

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

E. Discussion Regarding Joint Management Agreement (JMA) with Chino Valley Fire District and Schedule Joint Board Meeting

Chief Freitag stated that July 18 marks the annual point of working under the joint management agreement. Staff is requesting that we continue to work under this agreement and that the agreement automatically renews. Staff could not determine any reason to cancel this agreement. The agreement calls for an annual meeting and Chief Freitag also stated that his annual evaluation is due. The joint Board meeting would be a good point to go into Executive Session to hold the evaluation. He mentioned that there is no dollar amount tied to the evaluation because he is an employee of Chino Valley and they are in a wage freeze.

Chief Freitag stated that staff will try to coordinate a date for the joint meeting.

F. Approve Resolution 15-03 and Single Owner Annexation - Pezdirtz - Parcel #100-19-005A and B

Chief Tharp explained that to gain access to this parcel, the crew would have to drive through Mint Creek Subdivision in Williamson Valley. This area is behind American Ranch Subdivision.

Board Clerk Steele made a motion to approve Resolution 15-03 and annexation of Parcels 100-19-005A and 100-19-005B. Board Member Jacobs seconded the motion. MOTION CARRIED

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

G. Approve Resolution 15-04 and Single Owner Annexation - Aurich - Parcel #100-19-001Z

Board Member Jacobs made a motion to approve Resolution 15-04 and annexation of Parcel 100-19-001Z. Board Clerk Steele seconded the motion. MOTION CARRIED

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

H. Approve Policy Amendments: 203 Drug Policy; 204 Exit Interview Policy; Amend and Convert 403 Leave Benefits-Hardship Vacation into Joint Policy J403; Amend and Convert Policy 600 Personnel Management-Conduct into Joint Policy J600; Convert 620 Discipline into Joint Policy J620; Approve New Job Descriptions Warehouse Technician I and Warehouse Technician II; Amend Warehouse Operations Manager Job Description; New Job Description Technical Services Technician I; Amended Technical Services Technician II; New Technical Services III; Amend Technical Services Manager; Amended Geographic Information Systems (GIS) / Records Management Specialist I, New Geographic Information Systems (GIS) / Records Management Specialist II and Review Corresponding Succession Plans

Chief Freitag explained the following policy amendments:

- Drug Policy - minor amendment with an accreditation review.
- Exit Interview -- members must be offered an exit interview with the Fire Chief and human resources manager or designee.
- 403 Leave Benefits - Hardship Vacation – minor change and converted to Joint Policy J403.
- 600 Personnel Management - Conduct – Page 1 amended to clarify that contact sports are not allowed while on duty and converted to Joint Policy J600.
- 620 Discipline – converted to Joint Policy J620.

Chief Bliss discussed the job descriptions and explained that the job descriptions were modified with the succession plans.

Job Descriptions Warehouse Technician and Warehouse Technician II are new job descriptions; we are not anticipating adding any personnel.

Warehouse Operations Manager Job Description is for the current position.
New Job Description Technical Services Technician I. We are not considering additional personnel.

Amended the Technical Services Technician II Job Description.

New Technical Services III Job Description which is for the current position.

Amended the Technical Services Manager Job Description.

Amended the Geographic Information Systems (GIS) / Records Management Specialist I for the current position.

New Geographic Information Systems (GIS) / Records Management Specialist II.

Board Clerk Steele made a motion to approve amended and new policies and job descriptions. Board Member Packard seconded the motion. MOTION CARRIED

AYES: Jacobs, Packard, Page, Steele

NAYS: None

The following items were taken out of order

10. NEW BUSINESS CONTINUED

- A. Discussion and Possible Action Related to Joint Powers Authority (JPA) with Chino Valley Fire District

No discussion needed.

11. OLD BUSINESS

- A. Discussion and Possible Action Related to Training Center Drainage Issues

Attorney Cornelius stated that there is a planned meeting on June 22, 2015 for a site tour for all interested parties at the Training Center drainage location.

- B. Discussion and Possible Action Related to the Yarnell Hill Fire Incident and Legal Claims

Attorney Cornelius explained that there was a partial resolution on the ADOSH and the private plaintiff's side of the claim.

- C. Discussion and Possible Action Related to Local Public Safety Personnel Retirement System (PSPRS) Board

Attorney Cornelius stated he had discussions with PSPRS related to the Local Board Member elections. The current board is operating as an interim Board and an election will need to be held. Members of CYFD will be notified that they are eligible to vote and make nominations.

Director Jacobs reviewed the files of the current members that are on disability retirement and those documents are in order. There are multiple levels of review of disability retirement applications by PSPRS and the State. Some items may have been sent to PSPRS without being copied prior; however, we can obtain copies of those records if needed.

Attorney Cornelius will draft a HIPAA notice for Local PSPRS Board Members to inform them of items that may not be discussed outside for the Local PSPRS Board Meeting.

July 1, 2015 is the next scheduled Local PSPRS Board Meeting.

Board Member Jacobs stated that there will be a call to the public as there are positions that must be held by the public.

Chief Freitag explained that PSPRS laws reference Arizona Statutes; however, sometimes State Statutes are modified and the PSPRS laws are not. Therefore, this is where some of the confusion arose. We are working to get everything back in alignment with State statutes.

9. VOTE TO GO INTO EXECUTIVE SESSION

- A. Legal Advice Pursuant to A.R.S. §38-431.03(A)(3) and Instruction to District Legal Counsel Pursuant to A.R.S. §38-431.03(A)(4) Re: Training Center Drainage
- B. Legal Advice Pursuant to A.R.S. §38-431.03(A)(3) and Instruction to District Legal Counsel Pursuant to A.R.S. §38-431.03(A)(4) Re: Yarnell Hill Fire Incident and Legal Claims
- C. Legal Advice Pursuant to A.R.S. §38-431.03(A)(3) Re: Local Public Safety Personnel Retirement System Board
- D. Legal Advice Pursuant to A.R.S. §38-431.03(A)(3) Re: Joint Powers Authority (JPA) with Chino Valley Fire District

Board Member Jacobs made a motion to go into Executive Session. Board Member Packard seconded the motion. MOTION CARRIED

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

Chairman Page adjourned into Executive Session at 3:58 p.m.

Board Member Packard made a motion to reconvene into Public Session. Board Clerk Steele seconded the motion. MOTION CARRIED

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

Chairman Page reconvened into Public Session at 4:58 p.m.

11. OLD BUSINESS

C. Discussion and Possible Action Related to Local Public Safety Personnel Retirement System (PSPRS) Board

Attorney Cornelius will issue letters to the PSPRS Local Board first. The letters will be sent to the general membership second. Thirdly, an advertisement will be conducted for the two at-large member positions.

Board members are in agreement.

A. Legal Advice Pursuant to A.R.S. §38-431.03(A)(3) and Instruction to District Legal Counsel Pursuant to A.R.S. §38-431.03(A)(4) Re: Training Center Drainage

Move forward as directed to Attorney Cornelius.

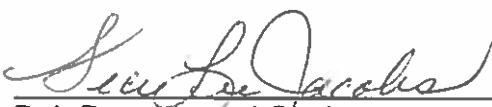
12. ADJOURNMENT

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

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

Meeting adjourned at 5:02 p.m.

7-29-15

Date


~~Bob Page, Board Clerk~~
Vici Lee Jacobs