

CHINO VALLEY FIRE DISTRICT
FIRE BOARD
REGULAR SESSION

May 17, 2016

MINUTES

1. CALL TO ORDER / ROLL CALL OF BOARD MEMBERS

Chairperson Ducote called the Chino Valley Fire District Fire Board meeting to order on Tuesday, May 17, 2016 at 5:54 p.m. at the Town of Prescott Valley, Library Auditorium, 7401 E. Civic Circle, Prescott Valley, Arizona.

Members Present: Board Chairperson Cyndy Ducote, Board Clerk Dave Dobbs, Board Members Julie Pettit, Travis Bard, and Dave McConnell

Members Absent: None

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

Others in Attendance: Attorney Nick Cornelius

2. PLEDGE OF ALLEGIANCE

Chairperson Ducote led the recitation of the Pledge of Allegiance.

3. CALL TO THE PUBLIC

Chairperson Ducote opened the meeting for public comment.

There were no comments from the public.

4. CONSENT AGENDA

All matters listed under Consent Agenda are considered routine by the Chino Valley 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 April 6, 2016 Special Session Minutes of Central Yavapai Fire District, Chino Valley Fire District, and Central Arizona Fire and Medical Authority Board Meeting
- B. Approve Regular Session Minutes - April 19, 2016
- C. Approve General Fund and Capital Reserve Financial Statements
- D. Approve Bond Debt Service Financials
- E. Approve Bond Fund 2007 Financials

- F. Approve Fire Protection Agreements - Buckley, Burton
- G. Discussion and Approve Cooperative Intergovernmental Agreement with Arizona State Forestry Division

Board Member Bard made a motion to approve the consent agenda. Board Member Pettit seconded the motion. MOTION CARRIED

AYES: Bard, Dobbs, Ducote, McConnell, Pettit
NAYS: None

5. CORRESPONDENCE

A. Letters from the Public

Chief Freitag mentioned a thank you letter that we received for his participation in a career day at Glassford Hill Middle School.

B. Monthly Division Reports 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 that Senate Bill 1244 passed with an emergency clause, and the Governor signed it into law. This bill provides for wildland prompt pay. It allows fire districts to maintain their fire district assistance tax (FDAT) when merging or consolidating. It also provides a one-time override provision that can be used November 2016 or November 2017 to increase their maximum tax rate by \$.25 for only five years maximum. This is a short-term fix while the State works on correcting revenue issues that fire districts are experiencing. Chief Freitag explained that he does not believe Chino Valley is in a position that requires asking for this override. He pointed out that when fire districts are represented at the State level, things can be accomplished.

Chief Freitag mentioned that the Fire Authority is on track, and finance is preparing to run a mock payroll to minimize any errors on the first payroll.

Chief Freitag mentioned that a Chino resident has contacted him several times, and the resident has also spoken with Attorney Cornelius. The resident wanted to measure and photograph the administrative building, and he wanted to decide for the Board if Central should purchase the property. He was advised that his concerns would be best addressed during the Call to the Public portion of the Board meeting, and he is welcome to address the Board. He could also submit a letter to the Board and the Board could respond in writing.

Attorney Cornelius strongly recommended that any public issue should be properly addressed before the Fire Board. The Board may direct staff to place the item on a future agenda. He explained that the Fire District facilities are open to the public, but are not to be disrupted. They are public facilities, but are not for public use and access. It is

inappropriate to take pictures of staff. It is a structure, and the plans are part of public record and can be obtained.

6. OLD BUSINESS

A. Discussion and Possible Action Regarding Chino Valley Fire District Bonds

Chief Freitag stated that the Board has already approved the bonds via resolution and provided staff direction. He explained that we received responses from NBH Bank, Capital One, BBVA, and NB Arizona Public Financial Services. He stated that Capital One was selected.

NBH Bank had a 2.51% rate; however, the rate floated until 10 days prior to locking in the rate. That rate went above the 2.65% rate from Capital One that was locked in immediately.

BBVA's rate was 2.70% and could float. The fourth option with NB Arizona was a hybrid similar to an ARM with floating rates.

Chief Freitag stated that Capital One is the preferred lender with a fixed rate of 2.65%. Chief Freitag gave Chief Tharp credit for asking Stifel to run the fiscal analysis at 3.25%; these rates are better than the analysis.

Chief Freitag explained that we projected we could keep the bond rate at \$.42 at 3.25% with zero growth. With these rates, our projections are that the bond debt service rate will come down over time with refinancing the current bonds and issuing \$1.5 mil new bonds to replace vehicles and make some station upgrades. We just completed our due diligence call with Stifel, Capital One, and the underwriters on Monday and received confirmation that our credit has been approved. We will close on the bonds on June 8, 2016. We will need a signature from Board Chair and Clerk as previously approved. Chief Freitag stated that the bond is better than anticipated.

Chief Freitag stated there is no Board direction required on this item.

7. NEW BUSINESS

A. Discussion and Approval to Purchase Portable Radios

Chief Freitag asked that this item be removed from the agenda as Legal Counsel is working through contract issues with Motorola.

Attorney Cornelius stated that this item may require a special meeting due to time constraints to take advantage of exceptional pricing.

B. Discussion and Possible Action Regarding to Station 64, 238 N. State Route 89

Chief Freitag asked for the Board's direction on this item. This property is currently being leased, and the tenant has the first right of refusal. Chief Freitag asked if staff could talk with the tenant to determine their interest in the property.

Board consensus was for Chief to speak with the tenant and other interested parties.

C. Discussion and Possible Approval of Tentative Fiscal Year 2016-2017 Budget

Chief Freitag explained that the CAFMA budget is presented for comparison only; the Chino Valley budget needs approval. He mentioned that the election expenses have increased from \$5,000 to \$16,000. Central Yavapai's was increased from \$25,000 to \$75,000 due to the Election Department no longer receiving funding from the State. Chino Valley will only need to expend those funds if there are more candidates than vacant Board positions. There are some changes to the CAFMA budget which include the Prescott Regional Communications Center (PRCC) increase of \$23,000 and the Fire Chief's salary. The administrative building was added for bookkeeping purposes and there were some costs for CAFMA after July 1. These changes did not change the Chino Valley budget.

Chief Tharp mentioned that once the tentative budget is approved, it cannot be increased.

Board Member Pettit stated that CAFMA has received an increase of \$50,000 from PRCC, and there is not cap in the contract. If there are additional costs, we can be billed.

Board Chair Ducote asked when the contract can be reviewed.

Chief Freitag explained that Prescott Valley Police Department notified us of the increase; we called them when we noticed that last increase. We are concerned that the bills keep increasing, but the only recourse we have is the Prescott City Manager or Prescott City Council. We will have legal counsel review the agreement and speak with the other parties as to not miss a window to re-negotiate.

Attorney Cornelius mentioned that there was a meeting with Prescott City Manager McConnell prior to Chief Freitag's tenure regarding several matters; this agreement was not written in the best interest of all partners.

The current PRCC members include: Prescott Valley Police Department, Central Yavapai and Chino Valley Fire Districts, Prescott Police, Prescott Fire, Groom Creek, Walker, and Tribal Police. Mayer Fire District is trying to re-enter. Williamson Valley Fire has given 365 days' notice to cancel their contract.

Chief Freitag mentioned that Chief Polacek is the Fire Liaison and gives us more of a voice. We were not given an explanation of what transpired when we received the increased budget. A representative from Prescott Valley Police Department provided us with an explanation to the increase.

Board Member Pettit asked if there was recourse for the members to ask for a fiscal audit and management review. Attorney Cornelius stated that does not appear in the contract. There is language that prevents from recovering attorney's fees and costs.

Board Member Bard made a motion to approve the 2016-2017 Budget for \$3,899,599. Board Member Pettit seconded the motion. MOTION CARRIED

AYES: Bard, Dobbs, Ducote, McConnell, Pettit
NAYS: None

D. Approve Amendment to Joint Policy J121 Policy Committee; Approve New Joint Policies J241 Temporary Appointment, J403 Leave Benefits; Remove Policy 350 Demotions Previously Replaced by Policy J243 Demotions

Chief Freitag explained that the Demotions Policy was previously approved as a joint policy. Policy J121 has a basic update and J241 Temporary Appointment is a new joint policy. Policy J403 Leave Benefits has been extensively revised.

Board Member Pettit made a motion to approve the amendments to joint policy J121 Policy Committee, approve new joint policy J241 Temporary Appointment, J403 Leave Benefits, and to remove policy 350 Demotions previously replaced by policy J243 Demotions. Board Member Bard seconded the motion. MOTION CARRIED

AYES: Bard, Dobbs, Ducote, McConnell, Pettit
NAYS: None

E. Discussion and Possible Action Regarding Board Meeting Times

Chief Freitag explained that the CAFMA meeting will be the longer meeting with the Central Yavapai and Chino Valley meetings smaller at about 30 minutes. The previous Boards discussed changing times, and they were informed of the conflict with Chair Ducote's schedule. He mentioned that we can utilize Prescott Valley's facilities on Tuesdays. The other Boards suggested that Central Yavapai's meeting begin at 4:00 p.m., CAFMA's at 4:30 p.m., and Chino's at 6:00 p.m. He asked for the Board's direction.

Chief Freitag confirmed that the Board was in agreement with the June meeting schedule of Central Yavapai beginning at 2:00 p.m., CAFMA at 3:30 p.m., and the Chino meeting beginning at 6:00 p.m. The June meetings will be held in Chino Valley.

The July meetings will be: Central Yavapai at 4:00 p.m., CAFMA at 4:30 p.m. and Chino at 6:00 p.m.

8. ADJOURNMENT

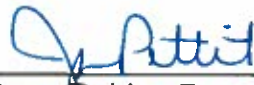
Board Member Pettit made a motion to adjourn. Board Member Dobbs seconded the motion. MOTION CARRIED

AYES: Bard, Dobbs, Ducote, McConnell, Pettit

NAYS: None

Chairperson Ducote adjourned the meeting at 6:41 p.m.

6/21/2016

Date


Dave Dobbs, Board Clerk