

MINUTES

**Central Arizona Fire and Medical Authority
Central Yavapai / Chino / Central Arizona Fire and Medical
Joint Fire Board Meeting**

Tuesday, April 18, 2017, 4:30 pm - 5:30 pm

Central Arizona Fire and Medical - Station 61 - 1133 W Road 3 North - Chino Valley

In Attendance:

Darlene Packard; Dave Tharp; Jeff Wasowicz; Julie Pettit; Laura Mowrer; Matt Zurcher;
Nicolas Cornelius; Rick Mayday; Scott A Freitag; Susanne Dixson; Todd League; Tom
Steele; ViciLee Jacobs

Not In Attendance:

Cyndy Ducote; Dave Dobbs

NOTICE OF MEETING

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Chino Valley and Central Yavapai Fire Districts and Central Arizona Fire and Medical Authority Board of Directors and the general public that the **Chino Valley Fire District, Central Yavapai Fire District, and Central Arizona Fire and Medical Authority** will hold a special meeting open to the public on **Tuesday, April 18, 2017 at 4:30 p.m. The meeting will be held at Central Arizona Fire and Medical Authority Station 61, 1133 W. Road 3 North, Chino Valley, Arizona.** The Board may vote to go into Executive Session on any agenda item, pursuant to A.R.S. §38-431.03(A)(3) for discussion and consultation for legal advice with the District's Attorney on matters as set forth in the agenda item. The following topics and any variables thereto, will be subject to Board consideration, discussion, approval, or other action. All items are set for possible action.

1. CALL TO ORDER / ROLL CALL OF BOARD MEMBERS

A. Chino Valley Fire District Board of Directors

Chino Valley Director Pettit took roll call of Chino Valley Fire District Board Members at 4:32 p.m. A Board quorum was present with Directors Mayday and League attending telephonically. Chair Ducote and Clerk Dobbs were absent.

B. Central Yavapai Fire District Board of Directors

Central Yavapai Chair Packard took roll call of Central Yavapai Fire District Board Members at 4:32 p.m. A Board quorum was present.

C. Central Arizona Fire and Medical Authority Board of Directors

CAFMA Chair Pettit took roll call of Central Arizona Fire and Medical Authority Board Members at 4:31 p.m. A Board quorum was present. Director Dobbs was absent.

2. PLEDGE OF ALLEGIANCE

CAFMA Chair Pettit led the Pledge of Allegiance.

3. CALL TO THE PUBLIC

Those wishing to address the Chino Valley Fire District, Central Yavapai Fire District, or Central Arizona Fire and Medical Authority Board of Directors need not request permission

in advance. However, we ask that you complete a Call To Public Form for the record. The 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 may be placed on a future agenda. Individuals may be limited to speak for three (3) minutes with a total of 30 minutes allotted for Call to the Public per meeting.

CAFMA Board Chair Pettit opened the meeting for public comments.

There were no comments.

4. CONSENT AGENDA

- A. Approve Joint Fire Board Meeting Minutes - March 21, 2017
- B. Approve Joint Meeting - Budget Workshop Minutes - April 4, 2017

Motion to approve consent agenda.

Move: Darlene Packard Second: Matt Zurcher Status: Passed

Yes: ViciLee Jacobs, Darlene Packard, Tom Steele, Julie Pettit, Jeff Wasowicz, Matt Zurcher, Todd League, Rick Mayday

5. NEW BUSINESS

- A. Presentation, Discussion, and Possible Action Regarding Workers' Compensation Risk Pool

Chief Tharp presented an overview of the workers' compensation risk pool prepared by Ashton Tiffany. He explained that he is not an advocate of doing away with private business; he is in support of risk pools that help contain costs. Towns, cities, and school districts use these types of risk pools. He mentioned that Central Yavapai Fire District initially began this process and their data was used in the presentation.

Chief Tharp discussed workers' compensation classifications, the methodology used to determine our rate and our quoted rate increase of 1% over last year's cost, the determination for the pool to not require capitalization and how excess funds in the pool are distributed. He also confirmed there is a 3-year commitment for joining.

Director Jacobs asked how the nonprofit corporation would be formed, how the board is comprised and how our rates are calculated. Chief Tharp explained that Ashton Tiffany was responsible for creating the nonprofit corporation; the board will consist of five to seven members from the risk pool membership; the workers' compensation rates are calculated on an actuarial and claims history.

Chief Freitag explained that Ashton Tiffany is the principal with our health care program, and there is a Senate bill in the works to address workers' compensation issues. He explained that the bill was sent to Ashton Tiffany, and they are already in compliance. Other workers' compensation companies will have to implement these changes.

Attorney Cornelius advised the Board that the risk pool is required to follow open

meeting laws, they are regulated by Arizona Revised Statutes and the Department of Insurance, and there are separate audits conducted.

Chief Tharp confirmed that he is on the risk pool board and that a nonprofit corporation has been created. He discussed the application process and factors the pool is considering when an agency wants to join the pool. Chief Tharp mentioned that these types of pools have been around since 1969 and there is a catastrophic insurance policy in place.

Attorney Cornelius explained that Attorney William Sims assisted with the preparation of this agreement, and that Attorney Sims has extensive experience as he works with the Cities and Towns risk pool.

CAFMA Chair Pettit asked that this item be placed on the May Board agenda. All Board Members were in agreement. Attorney Cornelius will continue reviewing the contract.

6. OLD BUSINESS

A. Discussion and Possible Action Regarding Fiscal Year 2017-2018 Budget

Chief Freitag explained that the budget documents presented show some changes to personnel costs due to retirements and promotions.

Chief Bliss stated that we have been able to make some adjustments with confirmed numbers; this budget has a 2% COLA; the overall budget has decreased since the budget workshop. He explained that even with the COLA there is a much better outlook. There are still a few additional items to be updated prior to the May meeting, and he asked for Board direction regarding the COLA. He reviewed some of the changes including workers' compensation was anticipated at a 4-5% increase, but the quote is only a 1% increase, and the expense for the administration building remodel has been moved to next year.

Director Steele voiced concerns regarding Chino and Central Yavapai's proportional funding and requested that staff to prepare a zero budget with no increase in tax rate or COLA. Chief Bliss explained that the budget will increase with or without a COLA due to the \$750,000 PSPRS increase alone. He explained that both Chino Valley and Central Yavapai have benefited with the creation of CAFMA.

Director Jacobs asked for an explanation of the employee classifications such as firefighter, paramedic, engineer, etc and how the steps worked. Chief Bliss explained that there are 13 steps with a 2.5% merit increase each year, and then once the employee reaches the end of the scale, they receive a 1% increase for 13 years.

Director Jacobs voiced concern with the PSPRS refund and how that would affect the budget. It was explained that the PSPRS refund will not affect the budget or tax rate.

Director Jacobs stated that she is not in agreement with a COLA this year considering employees already receive a 2.5% merit increase. CAFMA Chair Pettit stated that the last COLA was given in 2006, and the cost of a dollar has increased 15%. She stated that she also sits on Chino Valley Fire Board and appreciates everyone's hard work. She is in support of presenting a budget with the 2% COLA

at the May meeting as it can be reduced if needed prior to approval. Director Packard expressed appreciation for everyone's cooperation in creating CAFMA and she is in favor of a 2% COLA. Director Wasowicz voiced concern that we will become a training ground for new firefighters and have an increased turnover rate with the low wage scale; this is not cost effective, and he supports a 2% COLA. Chief Freitag explained how the annual wage increases were reduced from 5% to 2.5% when Prop 117 was approved. Director Zurcher stated that he is sympathetic to an increased tax rate, but a 2% COLA is reasonable, and he supports it. Directors League and Mayday confirmed they are also in agreement with the COLA.

Attorney Cornelius advised the Central Yavapai Board to request a vote to determine if there was support or not for preparing the budget with a 2% COLA; CAFMA and Chino Boards were in support.

It was also mentioned that if approved Senate Bill 1330 would allow defunct reserve pension funds to be transferred to pay PSPRS liabilities. Therefore, Chino's reserve pension fund of \$97,000 could be utilized to pay down our unfunded PSPRS liability.

Central Yavapai Fire District Board made a motion to approve Chief Bliss running calculations on the basis of a 2% COLA.

Move: Matt Zurcher Second: Jeff Wasowicz Status: Passed

Yes: Darlene Packard, Jeff Wasowicz, Matt Zurcher



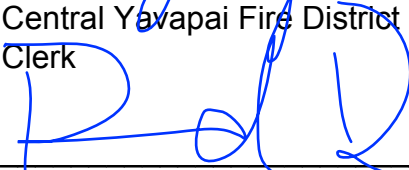
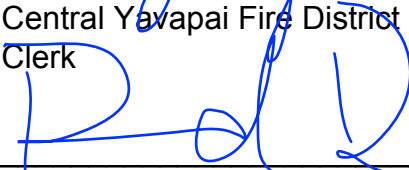
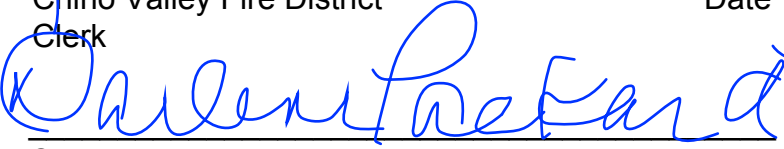
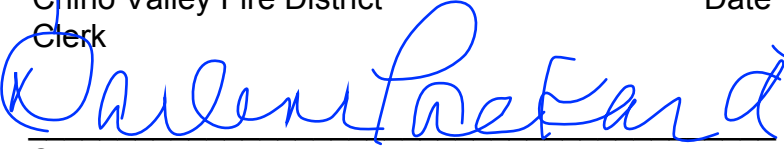
No: ViciLee Jacobs, Tom Steele

7. ADJOURNMENT

Central Yavapai Board Chair Packard adjourned Central Yavapai's meeting at 5:55 p.m.

Chino Valley Director Pettit adjourned Chino Valley's meeting at 5:55 p.m.

CAFMA Chair Pettit adjourned CAFMA's meeting at 5:55 p.m.

 Central Yavapai Fire District Clerk	 Date
 Chino Valley Fire District Clerk	 Date
 Central Arizona Fire and Medical Authority Clerk	 Date