

MINUTES

**Central Arizona Fire and Medical Authority
Central Yavapai Fire District Board of Directors
CY Regular Meeting
Monday, January 28, 2019, 4:30 pm - 5:00 pm
Central Arizona Fire and Medical Authority,
Administration, 8603 E. Eastridge Drive, Prescott Valley**

**** REVISED **** ("Revised" refers to agenda, not minutes)

In Attendance

Dane Beck; Darlene Packard; Dave Tharp; Jeff Wasowicz; Laura Mowrer; Matt Zurcher; Nicolas Cornelius; Scott A Freitag; Susanne Dixon

NOTICE OF MEETING

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Central Yavapai Fire District Board of Directors and the general public that the **Central Yavapai Fire District** will hold a meeting open to the public on **Monday, January 28, 2019 at 4:30 p.m.** The meeting will be held at **Central Arizona Fire and Medical Authority, Administration, 8603 E. Eastridge Drive, Prescott 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

Chair Zurcher called the Central Yavapai Fire District Board meeting to order on January 28, 2019 at 4:30 p.m.

Attorney Cornelius attended telephonically.

2. PLEDGE OF ALLEGIANCE

Chair Zurcher led the Pledge of Allegiance.

3. CALL TO THE PUBLIC

In accordance with A.R.S. §38-431.01(H) and as a matter of policy, the Central Yavapai Fire District Board has decided to allow public comments as time permits. Therefore, those wishing to address the Board regarding an issue within the jurisdiction of this public body may do so in an orderly manner that includes completing a Call to the Public Form and submitting it to staff for the record. If a written statement is being read, please provide a copy to ensure it is entered into the record accurately. Individuals will be limited to speak for three (3) minutes and Call to the Public shall not exceed 15 minutes per meeting.

No public comments.

4. 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. Any item may be removed by a Board member and will be considered separately for motion, discussion and action.

- A. Approve Regular Session Minutes - December 20, 2018
- B. Approve General Fund Financial Statements
- C. Approve Bond Debt Service Financial Statements
- D. Approve Transfer of \$1,000,000 from Central Yavapai Fire District to Central Arizona Fire and Medical Authority. Due to unbudgeted expenses related to the ACE lawsuit, \$90,873.64 is being withheld from transfer.
- E. Approve Annexation and Resolution 2019-01, Kerr Parcel 306-01-078D

- F. Approve Annexation and Resolution 2019-02 LLM IRA Investments Parcel 306-01-078E
- G. Approve Annexation and Resolution 2019-03 Faisst Enterprises Parcel 306-01-078A
- H. Approve Annexation and Resolution 2019-04 Santa Fe Springs Investments Parcel 306-01-078B

Director Wasowicz asked that Item D. be removed.

Motion to approve Consent Agenda Items A, B, C, E, F, G, and H.

Move: Darlene Packard Second: Jeff Wasowicz Status: Passed

Yes: Darlene Packard, Jeff Wasowicz, Matt Zurcher, Dane Beck

Item D. Approve Transfer of \$1,000,000 from Central Yavapai Fire District to Central Arizona Fire and Medical Authority. Due to unbudgeted expenses related to the ACE lawsuit, \$90,873.64 is being withheld from transfer.

Director Wasowicz explained that he has not been attending the meetings related to the ACE lawsuit; therefore, he wants to abstain from the vote.

Attorney Cornelius advised that Director Wasowicz has not been attending the meetings, because he is connected to Fain, one of the parties.

Chief Tharp explained that the collected revenue is normally transferred directly to CAFMA. We only had \$5,000 budgeted for legal expenses and have exceeded that by \$32,385 related to the ACE lawsuit. The amount that is being withheld becomes a liability; however, it is needed to pay the legal expenses in order to not overdraw the account. Chief Tharp stated that we are hopeful that the ACE lawsuit will end soon, and then the funds would be included in a future transfer.

Attorney Cornelius advised that there was a substantial outlay last year for legal expenses; however, we expect a large portion of expenses to be reimbursed upon the lawsuit being settled.

Chief Tharp explained that routine legal expenses should be much less; Chino Valley's legal expenses last year were only \$3,800.

Motion for Item D.

Move: Darlene Packard Second: Dane Beck Status: Passed

Yes: Darlene Packard, Matt Zurcher, Dane Beck

Abstain: Jeff Wasowicz

5. 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

The Board stayed in Public Session.

Attorney Cornelius advised the Board that the Army Corps of Engineers approved the Erie Plan for remediation. The Corps is requesting the parties purchase one acre of habitat in Yavapai County, and they provided contact information for ACE/BlueScope to pursue that. The matter should move rapidly for final resolution. The legal fees and costs should go down substantially once we have a final agreement. If something goes wrong under the agreement, that is a separate law suit.

- B. Legal Advice Pursuant to A.R.S. §38-431.03(A)(3) Regarding Filling Board Vacancy

The Board remained in Public Session.

Attorney Cornelius advised the Board that they can provide guidance to staff and counsel about how they want to proceed. He mentioned there might be a Board quorum issue next month that needs to be considered.

6. OLD BUSINESS

A. Motion, Discussion, and Action Related to Training Center Drainage Issues

Chair Zurcher directed Attorney Cornelius to proceed.

7. NEW BUSINESS

A. Presentation, Discussion and Acceptance of Fiscal Year 2018 Audit Report as Presented by Henry+Horne

Brian Hemmerle with Henry+Horne presented the Fiscal Year ending June 30, 2018 Audit. He explained that the District has materially stated their financial statements in accordance with generally accepted general and governmental accounting standards. The tax levied compared to related debt expenditures were reviewed. There were no findings; it was a clean report, unmodified opinion. There were no noted weaknesses or inefficiencies.

Chief Tharp advised the Board that if they have questions, they may present them to him. He also stated that the District's CPA will provide a financial overview at the next Board meeting.

Mr. Hemmerle confirmed that if fraud is found during the audit, it is reported to the Arizona State Auditor General. He stated that there was no fraud or waste found. He explained that there was a new accounting standard this year that required reporting of other post employment health benefits; this caused an additional \$270,000 liability.

Motion to accept the Fiscal Year 2018 Audit report as presented.

Move: Jeff Wasowicz Second: Darlene Packard Status: Passed

Yes: Darlene Packard, Jeff Wasowicz, Matt Zurcher, Dane Beck

B. Motion, Discussion, and Action Related to Filling Board Vacancy

The Board discussed the process for filling the Board vacancy and directed staff to make applications available on the website and at Administration. The deadline for applications to be submitted is 5:00 p.m. February 26, 2019. The Board will hold a Board meeting and conduct interviews on Tuesday, March 5, 2019 at 4:00 p.m. at the Administration building on Eastridge Drive.

Applicants must live within Central Yavapai Fire District boundaries and be a registered voter.

Attorney Cornelius advised the Board that they may meet quarterly as long as the public is notified that the February meeting is cancelled due lack of a Board quorum.

C. *Motion, Discussion, and Action Related to Appointing Reserve Pension Board Member

Chief Tharp informed the Board that due to the vacancy created by Director Tom Steele, another Board member needs to be appointed to the Reserve Pension Board. He explained that the bylaws require two CYFD Board members, and Director Packard is currently on the Board. Chief Tharp shared the requirements and average time required; the Board meets quarterly on the third Thursday of the month at 10:00 am, and the meetings are relatively short with the next meeting scheduled for April.

Director Wasowicz volunteered for the position.

Motion to appoint Director Wasowicz to the Reserve Pension Board.

Move: Darlene Packard Second: Dane Beck Status: Passed

Yes: Darlene Packard, Jeff Wasowicz, Matt Zurcher, Dane Beck

8. ADJOURNMENT

Motion to adjourn at 5:04 p.m.

Move: Darlene Packard Second: Dane Beck Status: Passed

Yes: Dane Beck, Darlene Packard, Jeff Wasowicz, Matt Zurcher

Clerk / Date

Signature indicating approval on next page.

**Signature Page For: 2019 01 28 CEY Regular Minutes-Approved - Central Yavapai Fire District
Board of Directors - CY Regular Meeting - 3/05/2019**

A handwritten signature in black ink, appearing to read "Darlene Packard". The signature is written in a cursive style with a large initial "D".

Darlene Packard , Board Clerk 03/07/2019