

MINUTES

**Central Arizona Fire and Medical Authority
Central Arizona Fire and Medical Authority Board of Directors
CA Regular Meeting
Monday, January 27, 2020, 5:00 pm - 6:00 pm
Central Arizona Fire and Medical Authority, Administration, 8603 E. Eastridge Drive,
Prescott Valley, Arizona**

In-Person Attendance

Darlene Packard; Dave Tharp; Jeff Wasowicz; Kathy Goodman; Matt Zurcher;
Scott A Freitag; Susanne Dixon

Remote Attendance

Nicolas Cornelius

Not In Attendance

Dave Dobbs; Julie Pettit

NOTICE OF MEETING

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Central Arizona Fire and Medical Authority Board of Directors and the general public that the **Central Arizona Fire and Medical Authority** will hold a meeting open to the public on **Monday, January 27, 2020 at 5:00 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 Authority'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

**Clerk Packard called the meeting to order at 5:02 p.m.
Attorney Nick Cornelius attended telephonically.**

2. PLEDGE OF ALLEGIANCE

Clerk Packard led the Pledge of Allegiance.

3. PRESENTATIONS

A. Prescott Valley Town Council Report

Councilman Packard provided an update on Town activities, including the number of permits filed: Two mobile home, six multi-family homes, and 40 housing permits, 22 for Granville and six for Stoneridge. He reported that The Iron Cask restaurant will open January 29th, and that the Colt Grill opening date is still to be determined. He noted that Alliance Lumber will be coming to the Glassford Hill Marketplace and Towneplace Suites by Marriott will be coming to the Entertainment District.

There was an inquiry to the possible location of the Post Office.

B. Board Members' Reports

i. Prescott Regional Communications (PRCC)

Director Wasowicz reported that February 1, 2020 PRCC will be going live with American Medical Response (AMR) on communications system. He stated that AMR has their own system, but as of the 1st they will be linked directly with the PRCC. He recounted a phone transcript he had read from PRCC that was complimentary of the way PRCC had handled a recent emergency call. He stated that the bills are in line with the budget.

ii. Public Records Requests

Director Zurcher had nothing more to add.

iii. Legal Fees

Director Zurcher had nothing more to add.

iv. Labor/Management

In Director Dobbs' absence, Chief Freitag reported that all is going well.

C. Recognition for Engine 57 - B Shift

Captain Niemynski described Engine 57 B-Shift's December 2019 actions that saved a patient's life. He emphasized that the crew went through the medical checklist perfectly and saved the patient's life. He reported that the last he had heard, the patient had been discharged from the ICU and had been transferred to an acute rehab facility.

Engine 57 B-Shift Captain and Paramedic Craig Stooks, Paramedic Ryan Ferris, and Firefighter Leo Basurto were in attendance.

Captain Stooks shared that on his way home the next day he suddenly recognized the patient's name. He later realized that she had helped deliver two of his three children.

Chief Freitag stated that the crew is representative of the paramedics and services that CAFMA provides, as well as the training programs that Captain Niemynski has prepared over the years. He noted that the crew will receive a plaque that will go up in their station.

D. Letters from the Public

Chief Freitag thanked Chief Tharp for helping the Town of Wickenburg with PSPRS.

E. Monthly Division Reports from the Fire Chief and staff in regard to current activities of the Fire Authority and the status and progress relating thereto. Any item discussed in the Division Reports is subject to discussion and direction by the Board; no action will be taken.

Chief Freitag reported that he had just returned from a meeting with Emergency

Management regarding State Mutual Aid, but more importantly had stopped by the committee meeting on the firefighter cancer bill. He stated that the worker's comp industry lobbyist was recommending the bill pass, but that they be given the ability to double the rates for employers.

He reported that he will be meeting with AMR on February 3, 2020. It is his understanding that AMR has dropped an application to improve their overall response criteria within Prescott Valley and the City of Prescott, but there is no indication as of yet that they are changing their response model or placing additional units in the area. He stated that he appreciates the gesture, but their system will have to change.

Director Wasowicz asked if the new PRCC tie-in February 1, 2020 would help fix the discrepancy in response times?

Chief Freitag responded that CAFMA will have better access to response time data, and it will remove human error, but it doesn't solve the long response time concern, or the concerns of having to transport patients because there aren't ambulances available.

Chief Tharp reminded the Board of the PSPRS Workshop in February. He said that he had attended PSPRS training and spoke with the the Director and the chairman. He announced that PSPRS reported that they will not hit their benchmark in the next 3-5 years, and they are going to be moving in the direction of lowering the assumed payroll increase per year, which means that CAFMA's rates are going up. He also stated that employer contribution rates will be going up for the next 3-5 years.

Chief Freitag shared there was a concern from the Town of Prescott Valley that CAFMA has no plan to deal with PSPRS, and that CAFMA is not paying into the system. He wanted to publicly state that that information is not factual. He shared with a senior Prescott Valley administrative official that CAFMA has been developing a plan, understanding the real financial impact to taxpayers, utilizing actuarial software, asking questions, communicating with the Board, and completing the due diligence. He noted that while the Town of Prescott Valley can levy a sales tax that can outperform the expectations, CAFMA is property tax-based, and so any additional monies to be paid to PSPRS will fall back on the property tax rate.

There was an inquiry for the potential cost estimate, and reference was made to the actuarial report for fiscal year 2019.

Chief Tharp responded that he already has the actuarial report for fiscal year 2019, which is what will be used for budgetary planning.

Fire Marshal Chase recognized Captain Tim Snyder who has taught fire safety lessons to the American Lutheran Church in Prescott for several years. He reminded the Board that the Town of Dewey-Humboldt Firewise Committee had received a grant for address numbers, and showcased a photograph of one of the new reflective addresses. He stated that the goal is to have all residences with reflective address numbers.

Chief Polacek was absent due to a meeting with the outside evaluators for the Battalion Chief testing this week. Chief Feddema had nothing more to add regarding Operations and Training.

Chief Bliss reported that this month's Division Report was written by Jonah Van Tuyl, Tech Services Manager, and focuses on tech services. He announced that the Records Management System is moving forward and is now being used for day-to-day reporting.

4. CALL TO THE PUBLIC

In accordance with A.R.S. §38-431.01(H) and as a matter of policy, the Central Arizona Fire and Medical Authority 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 30 minutes per meeting.

No public comments.

5. CONSENT AGENDA

All matters listed under consent agenda are considered to be routine by the Central Arizona Fire and Medical Authority 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 19, 2019
- B. Approve General Fund Financial Statements
- C. Approve Fire Protection Agreements - O'Mara, Robinson-Antes
- D. Approve Policy Amendments - 630 Grievance Procedure; 660 Reduction in Force (Layoff)

Motion to accept the consent agenda as presented.

Move: Matt Zurcher Second: Jeff Wasowicz Status: Passed

Yes: Darlene Packard, Jeff Wasowicz, Matt Zurcher

6. NEW BUSINESS

- A. Analysis of Fiscal Year Ending June 30, 2019 Audit and Review of Equity of the Respective Agencies

Chief Tharp presented the audit analysis and fiscal health of the agencies. There were no questions from the Board. See attached review.

- B. Motion, Discussion, and Action Regarding Approval of End of the Fiscal Year 2019 Excess General Fund Transfer of \$1,537,743.00 to the Capital Reserve Account

Chief Tharp stated that this transfer request is made annually if there are excess funds after reconciling and receiving confirmation from the auditors. He noted

that it is not profit, but is important to transfer so that CAFMA can manage the capital assets needed in the future. He pointed out that wildland revenue and prior fiscal year rollover contributed to this large amount.

Motion to approve end of the Fiscal Year 2019 excess General Fund Transfer of \$1,537,743.00 to the Capital Reserve Account.

Move: Matt Zurcher Second: Jeff Wasowicz Status: Passed

Yes: Darlene Packard, Jeff Wasowicz, Matt Zurcher

C. Update of Current Status of Fiscal Year's Goals and Objectives

Chief Freitag inquired as to whether the Board had any specific questions relating to the packet. There were no questions from the Board. He expressed that CAFMA is on track in most areas. He noted that the policies for the Chino Valley and Central Yavapai Board is a work in progress.

D. Motion, Discussion, and Action Regarding Approval to Purchase Mobile Data Terminal Refresh Hardware for \$83,190.14

Chief Bliss explained that every Type 1 engine has a laptop computer, also known as a mobile data terminal, where CAFMA gets the computer-aided dispatch product from PRCC. He stated that the current mobile data terminals were installed a number of years ago and they are reaching their end-of-life. He noted that the money is budgeted from capital funds.

There was an inquiry regarding how long it would take to install the hardware after the order had been placed.

Tech Services Manager Van Tuyl responded that the longest piece of the process is the turn-around for hardware, and that it should be about six weeks to have everything in the engines. He stated that Tech Services will work with Fleet to schedule the engines in for the update.

Motion to approve purchase of Mobile Data Terminal Refresh hardware for \$83,190.14.

Move: Matt Zurcher Second: Jeff Wasowicz Status: Passed

Yes: Darlene Packard, Jeff Wasowicz, Matt Zurcher

E. Discussion Regarding Ambulance Update

Chief Freitag shared that he just received an update from the Bureau of EMS stating that they are going to try to respond monthly to CAFMA's multiple monthly complaints. He reminded the Board of the December 6, 2019 letter stating that they were in receipt of our 595 complaints and their intent was to do nothing. He announced that this time they are in receipt of our 42 complaints as of January 14, 2020, and again will not take action and suggested we stop sending them, which is contrary to their initial recommendation. He informed the Board that he responded to the Bureau that CAFMA will be sending complaints again next month.

He continued, summarizing two instances in the last month where ambulances were unavailable and experiencing a lengthy response time of 30+ minutes in the middle of Prescott Valley, and patients had to be transported by CAFMA. He stated that CAFMA will continue having conversations with AMR and pushing for legislative change, and underscored that CAFMA is trying to provide what is best for the citizens.

7. ADJOURNMENT

Motion to adjourn at 6:04 p.m.

Move: Matt Zurcher Second: Jeff Wasowicz Status: Passed

Yes: Darlene Packard, Jeff Wasowicz, Matt Zurcher

Disabled persons needing reasonable accommodations should call 928-772-7711 prior to the scheduled meeting.



Audit Analysis and Fiscal Health of the CAFMA, CVFD and CYFD

For Fiscal Year Ending June 30, 2019



Review of 2019 Audit – CAFMA



CAFMA Highlights

- General Fund had a cash balance of \$5,531,051 (FY 2018 - \$4,044,784)
- Capital Reserve Fund had a cash balance of \$8,047,252 million (Page 15)
- CVFD transferred \$195,200 to CAFMA in capital assets (Sale of Reserve Station) – Page 14
- Overall, the Net Position of CAFMA went from \$44,638,462 to \$36,727,455 – a \$7,911,007 “loss”



CAFMA Highlights

- Net “profit” from the year was \$1,207,711 – \$1,537,743 revenue over expenditure and \$330,032 Capital Fund Transfer (page 17)
- Some of these funds are still outstanding (owed)
- Added \$682,348 in Capital Assets in FY 2019
- Depreciated (expense) \$1,554,192 in FY 2019
- Pension and OPEB - \$8,743,826
 - Pension expense plus reported accrued liability

CENTRAL ARIZONA FIRE AND MEDICAL AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE GENERAL FUND
 Year Ended June 30, 2019

	Original and Final Budget	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Taxes:			
CYFD Funding Requirement	\$ 16,792,070	\$ 16,826,287	\$ 34,217
CVFD Funding Requirement	4,227,791	4,326,327	98,536
Charges for services	248,800	2,025,633	1,776,833
Intergovernmental	21,600	-	(21,600)
Interest earnings	21,000	54,905	33,905
Other	405,650	593,968	188,318
Total revenues	<u>21,716,911</u>	<u>23,827,120</u>	<u>2,110,209</u>
EXPENDITURES			
Public safety - fire protection:			
Fire prevention and emergency services	18,681,491	19,127,280	(445,789)
Administrative and support services	2,601,900	2,532,771	69,129
Capital outlay	3,156,034	629,326	2,526,708
Contingency	1,064,167	-	1,064,167
Total expenditures	<u>25,503,592</u>	<u>22,289,377</u>	<u>3,214,215</u>
Excess of revenues over expenditures	(3,786,681)	1,537,743	5,324,424
Other financing sources (uses):			
Transfers in (out)	<u>2,784,434</u>	<u>(330,032)</u>	<u>(3,114,466)</u>
Changes in fund balance	(1,002,247)	1,207,711	5,324,424
Fund balance, beginning of year	<u>3,568,550</u>	<u>3,568,550</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,566,303</u>	<u>\$ 4,776,261</u>	<u>\$ 5,324,424</u>



CAFMA Highlights

- Chino Valley contributed \$98,536 more than budget
- Central Yavapai contributed \$34,217 more than budget (page 49)
- CAFMA received \$2,110,209 more than budgeted (Wildland, grants, taxes)
- Expended \$3,214,215 less than budgeted
 - Contingency, Capital - \$2.5 mil, exceeded M&O

CENTRAL ARIZONA FIRE AND MEDICAL AUTHORITY
 SCHEDULE OF JOINT VENTURE SPECIAL ITEMS, REVENUE AND COST ALLOCATION
 Year Ended June 30, 2019

	Central Yavapai Fire District	Chino Valley Fire District	Central Arizona Fire & Medical Authority
Funding contribution and cost allocation			
Funding contribution	\$ (16,826,287)	\$ (4,326,327)	\$ 21,152,614
Jointly allocated revenues:			
Charges for services	(1,507,622)	(518,011)	2,025,633
Interest earnings	(111,446)	(39,729)	151,175
Operating grants and contributions	(50,615)	(18,043)	68,658
Contracts and other	(425,311)	(43,082)	468,393
Allocation of cost to provide district services:			
Public safety personnel cost:			
Salaries and wages	8,836,261	3,149,986	(11,986,247)
Employee benefits			
Employee pension and related benefits	9,838,331	3,512,873	(13,351,204)
Other employee benefits	1,702,542	606,783	(2,309,325) *
Public safety supplies and services cost:			
Administrative support, supplies and services	634,862	135,823	(770,685)
Operational support, supplies and services			
Communications	463,974	144,269	(608,243)
Station utilities, supplies and maintenance	471,893	97,916	(569,809)
Fleet fuel and maintenance	344,368	103,710	(448,078)
Protective equipment and uniforms	211,917	68,694	(280,611)
Outside services	166,372	53,931	(220,303)
Training and prevention	140,992	31,594	(172,586)
Emergency medical supplies	89,153	27,668	(116,821)
Depreciation	1,176,574	377,618	(1,554,192)
Gain on sale of fixed assets	(48,492)	(69,467)	117,959
Excess of revenues over expenditures	5,107,466	3,296,206	(8,403,672)
Special items transfers:			
Assets transfer in (out):			
Capital assets, net of depreciation	-	(195,200)	195,200
Change in joint venture net position	5,107,466	3,101,006	(8,208,472)
Beginning net position in joint venture	(35,310,357)	(9,625,570)	44,935,927
Ending net position in joint venture	\$ (30,202,891)	\$ (6,524,564)	\$ 36,727,455



CAFMA Equity Allocation

- Based on Employee Costs assignment to station
- Based on Station operational costs
- Based on Apparatus operational costs
- Skewed due to GASB 34 and GASB 68 Reporting
 - \$5.04 million in actual employee pension and benefit costs
 - \$13.351 million allocated to pension and benefit costs

\$8,743,826 “expense” that is due to ASRS, PSPRS and OPEB reporting

CAFMA Notes

CENTRAL ARIZONA FIRE AND MEDICAL AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO PENSION/OPEB PLAN SCHEDULES
June 30, 2019

NOTE 2 FACTORS THAT AFFECT TRENDS

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS also reduced those members' employee contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS-required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the PSPRS-required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date. Also, the District refunded excess employee contributions to PSPRS members. PSPRS allowed the District to reduce its actual employer contributions for the refund amounts. As a result, the District's pension contributions were less than the actuarially or statutorily determined contributions for 2018 and 2019.



CVFD Highlights

- General Fund had a cash balance of \$133,952 (page 13)
- CVFD transferred \$195,200 to CAFMA in capital assets (Page 16) Sale of Reserve Station
- Overall, the Net Position of CVFD went from \$6,292,494 to \$3,220,133 – a \$3,072,361 “loss”
 - Loss from Joint Venture - \$3,101,006

CHINO VALLEY FIRE DISTRICT
STATEMENT OF NET POSITION
June 30, 2019

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 765,865
Property taxes receivables	137,680
Investment in joint venture	<u>6,524,564</u>
Total assets	<u>7,428,109</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	<u>140,648</u>
LIABILITIES	
Accounts payable	51,189
Due to other governments	92,435
Noncurrent liabilities	
Due within one year	335,000
Due in more than one year	<u>3,870,000</u>
Total liabilities	<u>4,348,624</u>
NET POSITION	
Restricted for debt service	2,719
Unrestricted	<u>3,217,414</u>
Total net position	<u>\$ 3,220,133</u>



CVFD Highlights

- Revenues were more than budget \$55,693 (FDAT)
- Expenditures were more than budget \$54,511 (Transfer of excess funds to CAFMA)
- Fund Balance \$133,952 (\$1,182 increase)
- No Pension Reporting as all employee are CAFMA

CHINO VALLEY FIRE DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 Year Ended June 30, 2019

	Original and Final Budget	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Taxes:			
Property taxes	\$ 3,926,501	\$ 3,938,420	\$ 11,919
Fire district assistance tax	333,290	366,951	33,661
Interest earnings	-	12,113	12,113
Other	2,000	-	(2,000)
Total revenues	<u>4,261,791</u>	<u>4,317,484</u>	<u>55,693</u>
EXPENDITURES			
Fund transfer to:			
Fire Authority funding	4,227,791	4,326,327	(98,536)
Public safety - fire protection:			
Administrative and support services	34,000	9,975	24,025
Contingency	20,000	-	20,000
Total expenditures	<u>4,281,791</u>	<u>4,336,302</u>	<u>(54,511)</u>
Net change in fund balance	(20,000)	(18,818)	1,182
Fund balance, beginning of year	<u>152,770</u>	<u>152,770</u>	<u>-</u>
Fund balance, end of year	<u>\$ 132,770</u>	<u>\$ 133,952</u>	<u>\$ 1,182</u>

Questions?





CYFD Highlights

- General Fund had a cash balance of \$107,540
- Overall, the Net Position of CYFD went from \$33,316,155 to \$29,253,117 – a \$4,063,038 “loss”
 - Loss from Joint Venture - \$5,107,466

CENTRAL YAVAPAI FIRE DISTRICT
STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

	<u>Governmental Activities</u>
EXPENSES	
Public safety fire protection and emergency services	
Fire safety and emergency services	\$ 16,826,287
Administrative and support services	60,960
Depreciation	102,633
Interest	311,466
	<u>17,301,346</u>
Total program expenses	
	<u>17,301,346</u>
PROGRAM REVENUES	
Income (loss) from joint venture	(5,107,466)
	<u>(5,107,466)</u>
Total program revenues	
	<u>(5,107,466)</u>
Net program expense	<u>(22,408,812)</u>
GENERAL REVENUES	
Property taxes	17,880,887
Fire District Assistance Tax (FDAT)	366,951
Interest earnings	59,588
Other revenues	38,348
	<u>18,345,774</u>
Total general revenues	
	<u>18,345,774</u>
CHANGE IN NET POSITION	(4,063,038)
NET POSITION BEGINNING OF YEAR	<u>33,316,155</u>
NET POSITION END OF YEAR	<u>\$ 29,253,117</u>



CYFD Highlights

- Revenues were more than budget \$72,252
- Expenditures were less than budget \$14,153
- Fund Balance was \$107,540
 - Increase of \$30,199
- \$56,206 transfer for Lease Purchase - Motorola
- FDAT and Interest Income – excess revenue
- \$34,217 to CAFMA – prior year

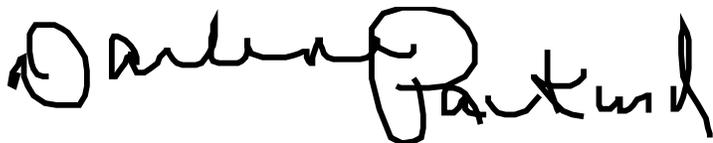
CENTRAL YAVAPAI FIRE DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
 Year Ended June 30, 2019

	Original and Final Budget	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Property taxes	\$ 16,529,780	\$ 16,527,908	\$ (1,872)
Fire district assistance tax	333,290	366,951	33,661
Fire contracts	38,000	38,348	348
Interest Income	-	40,115	40,115
Total Revenues	<u>16,901,070</u>	<u>16,973,322</u>	<u>72,252</u>
EXPENDITURES			
Current			
Fire Authority funding	16,792,070	16,826,287	(34,217)
Administration and support services	89,000	60,630	28,370
Contingency	20,000	-	20,000
Total expenditures	<u>16,901,070</u>	<u>16,886,917</u>	<u>14,153</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>86,405</u>	<u>86,405</u>
Other Financing Sources (Uses):			
Transfers to other funds	-	(56,206)	(56,206)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(56,206)</u>	<u>(56,206)</u>
Net change in fund balance	-	30,199	30,199
Fund Balance - Beginning of Year	<u>77,341</u>	<u>77,341</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 77,341</u>	<u>\$ 107,540</u>	<u>\$ 30,199</u>

Questions?



**Signature Page For: 2020 01 27 CEA Regular Minutes - Central Arizona Fire and Medical Authority
Board of Directors - CA Regular Meeting - 2/24/2020**

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

Darlene Packard , Board Clerk 02/25/2020