

MINUTES

**Central Arizona Fire and Medical Authority
Central Yavapai / Chino Valley / Central Arizona Fire and Medical
Budget Work Study
Monday, April 13, 2020, 4:00 pm - 5:00 pm
Central Arizona Fire and Medical Authority, Administration, 8603 E. Eastridge Drive,
Prescott Valley**

In-Person Attendance

Dane Beck; Darlene Packard; Dave Tharp; Jeff Wasowicz; Matt Zurcher; Pete Gordon; Scott A Freitag; Susanne Dixson

Remote Attendance

Cyndy Dicus; Dave Dobbs; Julie Pettit; Todd League

Not In Attendance

Rick Mayday

NOTICE OF MEETING

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Chino Valley Fire District, Central Yavapai Fire District, 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 **Monday, April 13, 2020 at 4:00 p.m.** The meeting will be held at **Central Arizona Fire and Medical Authority, Administration, 8603 E. Eastridge Drive, Prescott Valley, Arizona.** The Board(s) 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 Agencies' 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 - CHINO VALLEY FIRE DISTRICT

Chair Dicus called the Chino Valley Fire District meeting to order at 4:02 p.m.; Clerk Dobbs confirmed a quorum was in attendance.

2. CALL TO ORDER / ROLL CALL OF BOARD MEMBERS - CENTRAL YAVAPAI FIRE DISTRICT

Chair Zurcher called the Central Yavapai Fire District meeting to order at 4:03 p.m.; Clerk Packard confirmed a quorum was in attendance.

3. CALL TO ORDER / ROLL CALL OF BOARD MEMBERS - CENTRAL ARIZONA FIRE AND MEDICAL AUTHORITY

Clerk Packard called the Central Arizona Fire and Medical Authority meeting to order at 4:03 p.m.; Director Wasowicz confirmed a quorum was in attendance.

4. PLEDGE OF ALLEGIANCE

Clerk Packard led the Pledge of Allegiance.

5. SWEAR IN NEW BOARD MEMBER

Chair Zurcher swore in new Central Yavapai Fire District Board member, Pete Gordon.

6. PRESENTATIONS

A. United Yavapai Firefighters Local 3066 - Presentation on Wage and Benefits for FY 2021

Mike Kontz thanked the Board for allowing him to speak on behalf of the Union, and for their continued support. He explained that due to company we hired to conduct a wage study not being able to put together results in the time frame we needed, the Union did some leg work on their own and collected some data. The findings indicate that our wages are still behind in most positions, and that every year we fall 3-5% further behind; however, due to our current circumstances, he will be making a different request this year than what was previously discussed by the Union.

He stated that we have been hearing the sentiment that they "don't get paid what they're worth" for a long time. Therefore, in order for the Union to bring educated options to the table, the Union is asking for direction from the Board; specifically, he would like the Board to tell them: 1) what does the Board think they're worth, and 2) what is the plan to get us to that level. He reminded them that Board policy used to state that we would strive for the 75th percentile; however, that policy was changed to state we will "maintain competitive wages and benefits for Agency employees". He added that he understands we have to work with what we can afford, which is why they're asking for a plan. He reiterated that the floor wants to hear from the Board -- a personal message -- where they think wages should be, and they want the Board to give management direction on how we're going to get there. He said they are not asking for a raise this year, but are asking for a plan; however, if there is money to help keep us from falling further behind, it would be appreciated.

Director Packard stated she believes our employees are invaluable; however, the Board needs information from staff on what we can afford.

Director Wasowicz asked where most of our wages are now, and if we had made wage-scale adjustments as previously discussed. Chief Freitag answered that our Firefighter starting wage is around the 38th percentile, and starting wages for several other positions are also below market. He advised the Board that Senior Staff has talked with the Union about being more strategic about targeting positions that are so far below market, but as Mike mentioned, there isn't a number to target. He also noted that we have made some adjustments to our wage scales, and asked for direction from the Board on what they want the wage scales to look like.

Director Wasowicz stated he recognizes that PSPRS is the big issue; Chief Freitag confirmed that staff is working on a solid plan to begin addressing PSPRS funding challenges. He also commended Mike for this approach, and explained that the Union had some different proposals to bring before the Board, but due to current events, decided to work from a different perspective.

Director Gordon asked if there is a strategy to retain and recruit expertise, and suggested an incremental plan.

7. NEW BUSINESS

A. Budget Work Study

Chief Bliss presented the new projections and explained that there are some changes this year due to the COVID pandemic, but otherwise, this will be the same format as previous years. A copy of the presentation is attached to these minutes.

After the presentation, the Board was reminded that due to our capital reserve fund, we do not have to take out warrants, which saves us money. If we had to take out warrants, we would need to budget approximately \$350,000 for interest on the warrants.

Chief Bliss stated that we have previously identified five areas in the budget that need to be fixed:

- 1. PSPRS - a plan is addressed in this budget;**
- 2. Capital Plan (spending from it but not funding it) - has already been addressed;**
- 3. Contingency fund roll-over - has already been addressed;**
- 4. Tax rate challenge - we have a better outlook today than in 2013, but this will continue to be a challenge;**
- 5. Wages - this is not an easy one to fix; we have been making adjustments and gaining ground, but it will take time and planning.**

Director Beck questioned the stability of PSPRS and asked what happens if they don't meet their investment projections. Chief Tharp answered that PSPRS has been better at providing information, and has been more transparent than in the past. He believes a slow, incremental plan will provide the best long-term success.

Chief Tharp asked for direction from the Board regarding the 40-hour engine plan. Chair Zurcher inquired about the tax rate; Chief Bliss clarified that we can maintain the 2.6220 tax rate with the 40-hour engine, but that would not include any wage increases. Director Packard asked Director Dobbs what his thoughts are on the 40-hour engine, based on his previous Operations experience. Director Dobbs answered that we are not meeting our response criteria without it, we are not serving the community at the level needed. He further stated that he would prefer a 24-hour shift if we could manage it financially. Chief Freitag confirmed that our call volume is not decreasing to the COVID pandemic as some other agencies are experiencing. Director Gordon stated that the previous decision to move forward with the 40-hour engine was made based on real numbers, and we know the call volume is not going to decrease unless people start moving away. Therefore, he would not go back on that decision.

Director Beck inquired about the status of our capital replacement plan, and if it included our facilities. Chief Bliss replied that our existing Station 63 needs work that is not currently in the plan. He estimates the project at approximately

\$600,000. He added that at some point, we will need a station on the north side of Prescott Valley due to continued growth in that area. Chief Tharp explained that dips in the capital replacement fund are scheduled and strategic, and stated that we are sometimes able to delay purchases in order to realize greater savings by combining multiple purchases in one year rather than spreading single purchases over multiple years. Chief Freitag advised that the capital plan is reviewed every year and adjusted as needed, and Chief Bliss indicated he intends to provide the Board with the capital replacement plan at the April meeting.

Director Beck asked if the delinquency rate on tax collections will go up due to the COVID pandemic. Chief Tharp explained that we build a 5% contingency into the budget each year to cover such things, but it is possible.

Chief Bliss stated that he will bring two draft budgets to the April meeting; one at the 2.6220 tax rate that includes the 40-hour engine but no wage adjustments, and one at a slightly higher rate that includes some adjustment for wages. Director Zurcher thanked him, stating that it is a fluid situation and he believes it is prudent to see both sides. Director Wasowicz suggested we continue to remain cautious.

Director Beck asked if we have true attrition due to wages. Chief Freitag replied that we have not seen any impact at this time. However, while we have new people testing, we are not seeing the numbers we would like, though we can't say for sure that the low numbers are related to our starting wages. He further stated he does not believe we are a stepping-stone agency at this time, and he appreciates that the Union has been very understanding and worked with us in years where we've been heavily impacted, i.e. by PSPRS.

Chief Freitag invited Director Gordon to come in if he has questions about the budget or process.


8. ADJOURNMENT

Chair Zurcher adjourned the meeting at 5:52 p.m.

Move: Darlene Packard Second: Dane Beck Status: Passed

Signatures indicating approval on next page.

Signature Page For: 2020 04 13 Joint Budget Work Study Minutes - Approved - Central Yavapai Fire District Board of Directors - CY Regular Meeting - 4/27/2020

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

Darlene Packard , Board Clerk 04/28/2020