

MINUTES

**Central Arizona Fire and Medical Authority
Central Yavapai Fire District Board of Directors
Regular Meeting
Monday, March 22, 2021, 4:30 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; Kathy Goodman; Matt Zurcher;
Pete Gordon; Rick Anderson; Scott A Freitag; Susanne Dixon

Remote Attendance

Nicolas Cornelius

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, March 22, 2021 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. Members may attend in person or via remote methods of communication.

1. CALL TO ORDER / ROLL CALL OF BOARD MEMBERS

Chair Zurcher called the meeting to order at 4:30 p.m.

2. PLEDGE OF ALLEGIANCE

Chair Zurcher led the Pledge of Allegiance.

3. PRESENTATIONS

A. Analysis of Fiscal Year Ending June 30, 2020 Audit and Review of Equity of the Central Yavapai Fire District

Chief Tharp presented an analysis of the audit and the fiscal health of the agencies, including an explanation of FDAT. There were no further questions from the Board. See attached review.

Attorney Cornelius joined the meeting at 4:33 p.m. via Zoom.

4. BOARD MEMBER REPORTS

Reports are informational only. Any item articulated in the reports is subject to clarification, discussion, and direction by the Board; no action will be taken.

Chair Zurcher thanked Chief Rose for giving him a tour of the drainage construction progress at CARTA.

5. 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.

There were no public comments.

6. 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 17, 2021
- B. Approve Joint Work Study Session Minutes - December 17, 2020
- C. Approve Special Meeting Minutes - January 18, 2021
- D. Approve Special Meeting Minutes - February 9, 2021
- E. Approve Executive Session Minutes - February 9, 2021
- F. Approve December 2020 General Fund Statements and Bond Debt Service Financials
- G. Approve January 2021 General Fund Statements and Bond Debt Service Financials
- H. Approve February 2021 General Fund Statements and Bond Debt Service Financials
- I. Approve Annexation and Resolution 2021-01, Powers, 7095 E. Falcons Nest Way, Parcel 306-01-079S
- J. Approve Annexation and Resolution 2021-02, Good, 12221 N. King Tate Court, Parcel 306-01-074G
- K. Approve Annexation and Resolution 2021-03, Bolz, 12189 N. King Tate Court, Parcels 306-01-074D and 306-01-074F

Motion to approve the Consent Agenda.

Move: Pete Gordon Second: Rick Anderson Status: Passed

Yes: Darlene Packard, Matt Zurcher, Dane Beck, Pete Gordon, Rick Anderson

7. NEW BUSINESS

- A. Discussion and Possible Action Related to Appointing Reserve Pension Board Member

Clerk Packard provided a brief summary of what the Pension Board does and when the Board meets. Chief Tharp explained the need to maintain the Board until members have received all funds. The CYFD Board provides two members to this Pension Board; Clerk Packard is a current member.

Directors Anderson and Gordon both stated they would be willing to serve. Director Gordon also expressed interest in representing the Board in working with Wildland-related groups.

Motion to approve Director Anderson to that Board.

Move: Darlene Packard Second: Pete Gordon Status: Passed

Yes: Darlene Packard, Matt Zurcher, Dane Beck, Pete Gordon, Rick Anderson

B. Budget Update and Schedule April Budget Work Study Session

Chief Freitag relayed that the Chino Valley Fire Board has recommended holding the Budget Work Study Session during the week of April 12th, specifically April 14th. Chief Tharp explained the budget approval schedule and reminded the Board that the work study session is informational in nature; no action will be taken.

Direction to Staff is to recommend to the CAFMA Board an April 14th, 2021, 1:00 p.m., work study session to be held at CAFMA Administration.

8. ADJOURNMENT

Motion to adjourn at 4:54 p.m.

Move: Darlene Packard Second: Rick Anderson Status: Passed


Yes: Darlene Packard, Matt Zurcher, Dane Beck, Pete Gordon, Rick Anderson

Signature indicating approval on next page.

**Signature Page For: 2021 03 22 CEY Regular Minutes - Approved - Central Yavapai Fire District
Board of Directors - CY Regular Meeting - 4/26/2021**

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 "P".

Darlene Packard , Board Clerk 04/26/2021



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

For Fiscal Year Ending June 30, 2020



Review of 2020 Audit – CAFMA



CAFMA Highlights

- General Fund had a cash balance of \$6,174,870 (FY 2019 - \$5,531,051) as per Yavapai County
- Actual unassigned fund balance is \$3,004,017
- Capital Reserve Fund had a cash balance of \$9,712,485 million (Page 16)
- \$6.6 million in Capital Asset transfer to CAFMA – CARTA Facility (post lawsuit resolution)
- Overall, the Net Position of CAFMA went from \$36,727,455 to \$34,016,068 – a \$2,711,387 “loss”



CAFMA Highlights

- Net “loss” from the year was \$1,772,244 – \$224,931 expenditure over revenue and \$1,547,313 Capital Fund Transfer (page 18)
- Added \$2,068,424 in Capital Assets in FY 2020 (truck company, fire trucks and SCBAs)
- Depreciated (expense) \$1,578,306 in FY 2020
- Pension and OPEB - \$8,743,826 – FY 2019
\$9,515,669 – FY 2020
 - Pension expense plus reported accrued liability





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	<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?

