



Rio Verde Fire District
25608 North Forest Road
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**MINUTES OF THE
RIO VERDE FIRE DISTRICT
BOARD OF DIRECTORS GENERAL SESSION**

November 14, 2016

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COMMISSIONERS PRESENT: Marty Bowin, Jerry Fickes, Jeanne Finney, Cate Hayne, and George Kattermann

COMMISSIONERS ABSENT: None

ALSO PRESENT: Chief Jay Ducote and Administrative Manager Jo Lewis; Rio Verde Fire District

I. CALL TO ORDER

The Monday, November 14, 2016, General Session of the Board of Directors was called to order by Chairperson George Kattermann at 8:30 a.m. in the Rio Verde Community Center Conference Room, 18816 E. Four Peaks Blvd., Rio Verde, Arizona 85263.

II. ROLL CALL OF BOARD MEMBERS

All commissioners were present.

III. CERTIFICATE OF POSTING

The District's Certificate of Posting was presented, certifying that the meeting's agenda had been posted at least twenty-four hours prior to the meeting. This certificate was posted at the fire station, Rio Verde Post Office, Rio Verde Community Center, the Tonto Verde Community Center, and on the District's website.

IV. RESOURCE SPECIALISTS REPORT

There was no Resource Specialist report.

V. CALL TO THE PUBLIC

There was no response to the Call to the Public.

VI. APPROVAL OF MINUTES

October 24, 2016, General Session

Commissioner Hayne moved the approval of the October 24, 2016, General Session minutes as submitted. That motion was seconded by Commissioner Finney and passed by a vote of 3-0-1 (Commissioner Fickes abstaining due to his absence at that meeting).

VII. CAPITAL PLAN DISCUSSION

Commissioner Bowin credited Deputy Chief Eric Merrill and Chief Jay Ducote for their efforts in creating the exposure draft of the Master RVFD Capital Plan – 2016 – 2036. Comments were made as follows:

- With the exception of two long-term strategic plan items (command response vehicle and light duty truck - \$100,000 total), all items on the 20-year plan draft are replacement items of existing operations (nothing to do with Station 442).
- An assumption has been made to maintain a minimum of \$800,000 in the Capital Fund to borrow for the General Fund. Two hundred thousand dollars (\$200,000) has also been included for contingencies of unplanned capital expense when revenues are low and borrowing is maximized.
- One hundred eighty thousand (\$180,000) has been included annually from the General Fund to the Capital Fund for replacement of capital items. (There will be a line item for this earmark of funds on the 2017/2018 budget.)
- Capital equipment inflation has been included in the plan.

Bowin also continued that income and expense variables naturally exist with this plan, and a more detailed report will be provided to the Board in March of 2017.

Per Chairman Kattermann's inquiry, it was noted that E-441 pumper payments are due on January 14 and July 14, 2017, each for approximately \$90,000.

If (or when) land is donated for a potential Station #442, this plan will be revised to include those station expenses.

The possibility of needing space for an additional bedroom was discussed briefly.

VIII. MINUTES DOCUMENTATION

Commissioner Marty Bowin suggested that the Board discontinue the electronic recording of the Board's Executive Sessions due to confidentiality concerns. Discussion ensued.

Commissioner Bowin moved that the Board no longer record (electronic recording) the Executive Session discussion. That motion was seconded and passed unanimously.

Since Executive Session minutes are general in nature, Commissioner Bowin offered to write the minutes himself. Though Commissioner Fickes accepted the task on behalf of his position of "District Clerk of the Board," Bowin will compile the Executive Session minutes.

IX. DISCUSSION OF U.S. FORESTRY IGA

Chief Ducote brought for Board discussion the Arizona State Forestry Division Cooperative Intergovernmental Agreement (IGA), previously approved by the RVFD's attorney, Laura Brooks. Commissioner Fickes requested a letter from the District's insurance carrier proving coverage in all areas mentioned in the IGA. Chief Ducote will assure that letter is received for the file.

Subject to receiving: 1) a proof of coverage letter from the insurance carrier, and 2) a letter from Attorney Laura Brooks confirming her requested changes to and approval of the IGA, Commissioner Fickes moved that the U.S. Forestry IGA be approved. That motion was seconded by Commissioner Finney and passed unanimously.

X. REPORTS AND CORRESPONDENCE

Clerk's Report

Future Meetings

Chairman Kattermann voiced his concern over the delay in Board meeting start times from 8:30 a.m. to 10 a.m. and requested that it be changed to 9 a.m. unless there is a restriction on available space, i.e., January 23, 2017, 9:30 a.m.

Commissioner Fickes moved that the meetings for the coming year (2017) begin at 9 a.m. if a meeting room is available. That motion was seconded by Commissioner Hayne and passed unanimously.

Commissioner Fickes noted the following meeting dates:

- Monday, December 12, 2016 – 8:30 a.m.

- Monday, January 23, 2017 – 9:30 a.m.
- Monday, February 21, 2017 – 9:00 a.m.

Each meeting will be held in the Rio Verde Community Center Conference Room.

Administrative Manager Jo Lewis provided all members of the Board with a meeting listing. Because of the change in the start time to 9 a.m., she will confirm with the RVCA that the room is still available.

Finance Report

Commissioner Bowin submitted the following financial report for the month of October 2016:

Financial Report – October 31, 2016	
Revenue	\$752,834.54
Expenses	\$208,158.61
Other Income (Expense)	\$3,718.83
Net Income (Loss)	\$548,394.76
Monthly Budgeted Net Income (Loss)	\$601,680.88
YTD Budgeted Net Income (Loss)	\$358,190.83
YTD Actual Net Income (Loss)	\$12,835.98
General Fund Operating Cash	\$992,226.03
Capital Fund Cash	\$431,768.24
Capital Fund Advances to General Fund	\$750,000.00
Capital Fund Equity	\$1,181,768.24

Commissioner Bowin noted that though the District YTD is now in the black, ambulance revenue (Jul – Oct - \$3,325.40) is falling behind that which was budgeted (YTD Budget - \$14,390.16) due to an error that was made regarding allowed Medicare reimbursement..

In the development stages of establishing a RVFD ambulance, an assumption had been made by staff that the balance owing (after Medicare and Medicare supplements - if any) would be paid by the patient. It has been discovered that \$700 per run is not Medicare billable. Total billing for an ambulance transport is \$1,129. Medicare will currently pay \$354, and a supplement will pay \$85. This has had a dramatic effect on anticipated revenues.

Commissioner Fickes reminded the Board that it had always been the Board’s intention to provide ambulance service to its residents, regardless of whether it showed a profit. It was fully recognized that the ambulance service would NOT be self-sustaining.

If the District were paid for ambulance service calls at 100%, gross revenues had been anticipated at \$120,000 per year. Therefore, revenues will not be met for this fiscal year, and new revenue and expense figures will be reported to the Board in the future.

Regarding a possible avenue of revenue increase, it was noted that ambulance charges are defined by the Department of Health Services. Commissioner Finney observed that a "rural" classification would allow charging a higher ambulance transportation rate. Staff will look into the possibility of having the current "urban" classification changed to "rural," since the District is in an unincorporated area of Maricopa County.

Also regarding revenue, Jo Lewis noted that Chimney Fire reimbursement of \$11,097.99 for wildfire services had been received in October. The REY Fire reimbursement of \$54,757.23 had been approved and is anticipated within the next 30 days. Receipt of those funds will balance the Adjusted Payroll Reimbursement (wildfire salaries).

Commissioner Fickes requested that a net wildland billing figure be included on the Wildland Billing Update, so that it can easily be compared to the budget. In the future, this wildfire update will be included under the Financial Report.

Jo Lewis will recategorize the negative "Wildland Payroll Taxes."

Commissioner Bowin moved that the Board accept the October 31, 2016, Financial Report as presented. That motion was seconded by Commissioner Fickes and passed unanimously.

Commissioner Bowin moved that the Board accept the revised October 31, 2016, Cleared Warrant Report as submitted. Commissioner Finney seconded the motion, and it passed unanimously.

Commissioner Bowin moved that the Board accept the October 31, 2016, bank reconciliations as submitted. That motion was seconded by Commissioner Finney and passed unanimously.

Commissioner Fickes moved that the District approve the transfer of up to \$300,000 from the General Fund back to the Capital Fund. That motion was seconded by Commissioner Finney and passed unanimously.

XI. ADJOURN TO EXECUTIVE SESSION/RECONVENE TO GENERAL SESSION

At 9:32 a.m., Commissioner Bowin moved that the Board adjourn to Executive Session to discuss future staffing. That motion was seconded by Commissioner Finney and passed unanimously.

The Board reconvened to General Session at 9:53 a.m.

Commissioner Hayne moved that the District proceed to hire a part-time administrative employee up to 20 hours per week, excluding training. That motion was seconded by Commissioner Bowin and passed unanimously.

XII. RETURN TO REPORTS AND CORRESPONDENCE

EMS Survey Report

Commissioner Finney indicated that two (2) survey responses had been received, both listing their service as “Outstanding.” No requests were made for follow-up contact.

Commissioner Fickes received a call from a resident whose wife had been transported but passed away later. The resident indicated that he had received the survey from the District asking, “How did we do?” Chief Ducote will ask staff members to make sure their patients have stabilized before sending out the surveys.

Chief's Report

Firewise Event

Chief Ducote reported a great Firewise event held on Saturday, November 12. Jo Lewis was commended for her PowerPoint presentation and technical expertise.

Santa Claus and Verde Cares

On December 3, the District will be working with Verde Cares and Santa Claus collecting gifts for underprivileged children. The chief will be flipping buttermilk pancakes, and unwrapped gifts will be accepted for “Operation Santa Claus.”

Anticipated New Hires (Firefighters)

Chief Ducote indicated that he is awaiting background checks for the two firefighters who will potentially be hired, hopefully prior to Christmas. The Local PSPRS has approved both physicals.

Deputy Chief's Report

Activity Report – District Response Times – October 2016

On behalf of Deputy Chief Eric Merrill, Jo Lewis noted the following response times for the month of October 2016:

Call Type	Response Time
In-District EMS (Average)	3:00
Out-of-District EMS (Average) (Fountain Hills)	18:30
Out-of-District Corridor (Average)	11:45
In-District Non-Emergency (Average)	4:26

Call Type	# Occurrences	
	2016	2015
Year		
EMS In-District Calls	15	13
EMS Out-of-District Calls	2	2
EMS Corridor Calls	8	2
Non-EMS In-District	38	34
Transports	14	8
BP/Information Services	38	89
Station Tours/Walk-in First Aid	1	0
Child Seat Install	0	8
Outside Rescue Used Within District	1	10
Fire-related Calls*	10	2

*Fire Alarm, False (8)
 Stove Fire (1)
 Carport Fire (1) - Corridor

Changing the batteries in house fire alarms has proven difficult for older residents, and they should be changed yearly. Chief Ducote indicated that a Fountain Hills handyman can be called to change fire alarm batteries in the Verdes for a fee.

Residents, however, often contact dispatch and ask someone to come out to change the batteries in fire alarms that are beeping. There is a resource specialist in charge of changing those batteries at no cost during daytime hours. Firefighters will change beeping alarms that occur in the nighttime.

Chief Ducote advised the Board that firefighters always aid residents in any emergency (including snake calls). They will not aid residents with any unrelated, extraneous request if that request places those firefighters in unnecessary risk (installing cabinets, moving furniture).

Administrative Manager's Report

Wildfire Billing

Reviewing what was stated in the Financial Report, Administrative Manager Jo Lewis reported that the District currently has one outstanding invoice for \$54,757.23 from the

REY Fire in Santa Barbara, California. The fire service dates were from August 17 through August 31, 2016. That invoice has been approved, and funds should be received within 30 days.

XIII. OATHS OF OFFICE

District Treasurer Marty Bowin swore in the three returning Board members, Jerry Fickes, Jeannie Finney, and George Kattermann, for additional four-year terms with the RVFD Board of Directors. Administrative Manager Jo Lewis notarized the Oaths of Office and will forward them to the Maricopa County Board of Supervisors.

XIV. BOARD PERSON COMMENTS

Jerry Fickes, Sr.

Commissioner Fickes thanked the Board and staff for their condolences in the loss of his son Jerry Fickes, Jr. who died a hero in the line of duty as a firefighter in Delaware. Jay (Jerry Jr.) received two gold Metals of Honor, the highest awards given from the State of Delaware and the Union of All Firefighters. Fickes added that his son had given his life trying to save another's, but his grief was overshadowed by his pride in his son.

Local PSPRS

Commissioner Fickes then returned to discussion of the pension plan. Local PSPRS contribution and summary reports were provided to Board members. He noted that the AZ PSPRS numbers used to determine the District's contribution are two years old by the time they reflect the most recent DROP member(s). The District, however, continues to contribute what would have been its share for those first two years of the individual on DROP.

Hall vs. the Elected Officials' Retirement Plan (EORP)

This suit was filed in the Arizona Court of Appeals on SB 1609 regarding public pension changes that went into effect following 2011. The suit dealt with the increase in employee contribution rates over the past five years. It was the decision of the Arizona Supreme Court that the employee contribution rates be frozen at 7.65% for any employee hired prior to 2012, and that anything additionally that was collected by the Districts must be refunded.

The Hall decision will increase the District's actuarial liability (amortized over 20 years), but it will also reduce the District's funding ratio by approximately 10%.

Commissioner Bowin clarified that the current firefighter contributions would need to be returned to 7.65% as soon as that payroll procedure is received.

Cortex

Commissioners Fickes and Kattermann have been working with the AZ PSPRS and Cortex Applied Research Inc. on Cortex's report on "Risk Pooling & Local Board Consolidation."

Commissioner Kattermann told the Board that it is very enlightening to study the pension in its individual components and those accompanying risks. The AZ PSPRS feels that those employees who are within the control of management (pre-retirement) should NOT be risk pooled, and those that are not within the control of management (post-retirement) should be risk pooled.

Regarding the Cortex "Report on Risk Pooling & Local Board Consolidation," Chairman Fickes and Director Kattermann composed a letter to the AZ PSPRS and Cortex to emphasize the two "related" points of: 1) separating "disabilities" in risk pooling, and 2) establishing a specialized administrative section to manage the functions currently being managed by local boards. The letter was sent with their signatures as residents, not Board members. Jo Lewis will make sure the letter is sent via Certified Mail and delivered before Friday, November 18, 2016.

Commissioner Fickes noted that local pension boards, in general, are not knowledgeable enough to make important decisions on disability, medical examinations, or financial analysis. In using a specialized administrative segment of the AZ PRPRS, those decisions could be made in a more consistent and professional manner. Appeals would be possible, if required, with specially selected appellate board.

Fickes briefly discussed the higher cost of hiring transfers who have been in the pension system for many years.

Proposition 206 (Minimum Wage and Benefit)

Proposition 206 could possibly change the manner in which the District pays employees, depending upon how it effects firefighters. Commissioners Fickes and Kattermann will contact John Flynn at the AFDA regarding the upcoming payroll regulations.

For instance, if the District had to pay an additional percentage for overtime, the payroll would change immensely. Coupled with the fact that there are laws that restrict districts in collecting tax revenues, the District could be left in an unfortunate financial position.

Commissioner Hayne suggested that articles be placed in Community newsletters regarding ambulance charges and triage (the process of determining where a patient should be transported based on the severity of his/her condition). It was decided that the subject would most effectively be heard by more of the residents at their respective annual meetings or a town hall, as opposed to the Community newsletters.

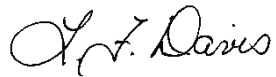
XV. CHAIRPERSON COMMENTS

There were no additional chairperson comments.

XVI. ADJOURNMENT

Commissioner Bowin moved that the meeting adjourn at 11:02 a.m. That motion was seconded by Commissioner Finney and passed unanimously.

Respectfully submitted,



Libby Floyd Davis
My Personal Secretary
(From Voice Recording)

lfd