



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

**December 14, 2016**

**Table of Contents**

<b>I. CALL TO ORDER.....</b>	<b>2</b>
<b>II. ROLL CALL OF BOARD MEMBERS .....</b>	<b>2</b>
<b>III. CERTIFICATE OF POSTING.....</b>	<b>2</b>
<b>IV. RESOURCE SPECIALISTS REPORT.....</b>	<b>3</b>
<b>V. CALL TO THE PUBLIC.....</b>	<b>3</b>
<b>VI. APPROVAL OF MINUTES .....</b>	<b>3</b>
<b>VII. AUDITOR'S REPORT 2015/2016.....</b>	<b>3</b>
<b>VIII. ELECTION OF OFFICERS .....</b>	<b>4</b>
<b>IX. REPORTS AND CORRESPONDENCE .....</b>	<b>5</b>
Clerk's Report.....	5
Finance Report.....	5
EMS Survey Report.....	7
Chief's Report.....	7
Deputy Chief's Report .....	7
Administrative Manager's Report.....	8
<b>X. UNFINISHED BUSINESS .....</b>	<b>9</b>
<b>XI. BOARD PERSON COMMENTS .....</b>	<b>9</b>
<b>XII. CHAIRPERSON COMMENTS .....</b>	<b>9</b>
<b>XIII. ADJOURNMENT .....</b>	<b>9</b>



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## **MINUTES OF THE RIO VERDE FIRE DISTRICT BOARD OF DIRECTORS GENERAL SESSION**

**December 14, 2016**

**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, Resource Specialists Denny Meyers, Rio Verde Fire District; Stephen Crandall, Accounting Solutions (via telephone); CPA Kay Green, Assurance Professionals P.C.

### **I. CALL TO ORDER**

The Wednesday, December 14, 2016, General Session of the Board of Directors was called to order by Chairperson George Kattermann at 9:04 a.m. in the Tonto Verde Clubhouse, Kiva Room, 18401 El Circulo Drive, 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

Dennis Meyers was present to report that the Resource Specialists were active for the winter season. One volunteer, however, was taking a “respite” but will most likely return later.

Chief Jay Ducote acknowledged Meyers for the Resource Specialists’ participation during the recent pancake breakfast.

#### V. CALL TO THE PUBLIC

There was no response to the Call to the Public.

#### VI. APPROVAL OF MINUTES

November 14, 2016, General Session

**Commissioner Fickes moved the approval of the November 14, 2016, General Session minutes as submitted. That motion was seconded by Commissioner Bowin and passed by unanimous vote.**

November 14, 2016, Executive Session

Approval of the minutes of the November 14, 2016, Executive Session will be placed on the January 23, 2017, agenda.

#### VII. AUDITOR’S REPORT 2015/2016

Kay Green of Assurance Professionals, P.C. attended to present the 2015-2016 Audit Report to the Board. Accountant Stephen Crandall also attended the meeting (via telephone).

Green stated that the District complies with all Arizona statutes, and that she had found no audit findings or deficiencies in internal control. Her only recommendation was to have staff review human resource procedures as they pertain to employee files.

Chairperson Kattermann asked Green if she felt it was necessary to disclose the financial impact of the recent Hall decision regarding the pension fund. Green indicated that it could not be part of the audit until the financial impact was known. Although Chairperson Kattermann felt that it should be disclosed in some manner, Green assured the Board that due diligence had been followed in terms of the audit.

Green thanked Stephen Crandall and his staff for their accounting assistance on the financial statements. She also acknowledged Administrative Manager Jo Lewis for her proficiency.

Stephen Crandall suggested that the District calculate and plan for future payments to the PSPRS to be made to decrease its liability from the Hall decision. Additionally, active suggestions to AFDA regarding future presentations was recommended to enlighten boards' knowledge of the pension plan.

Commissioner Fickes responded that the District had been making additional contributions to the PSPRS, but its funding ratio had dropped below 80%. Fickes stated that the District's funding ratio would temporarily go down, because many firefighters (that were funded an additional ten years at the onset of the District) were nearing retirement eligibility. He recounted that each time a firefighter retires or buys additional time, the District must incur that firefighter's unfunded liability. He also noted that when a PSPRS firefighter is hired from another organization, the District must immediately make up the difference between the District's funding ratio (currently approximately 70%) and the overall PRPRS funding ratio (currently 46%) of the plan.

Fickes continued that while funding ratios are only guidelines, it is still imperative to continue to fund the pension fund appropriately. Because the District is limited to a 5% increase in valuation of the existing tax base and an 8% increase in District expenses. It is sometimes challenging to have the cash available to fund the pension contributions at appropriate levels.

Fickes advised that the funding ratio would only go up when the District can contribute extra funds as has been done in previous years. It is extremely difficult, however, to determine how much will be needed due to the many variable factors affecting a pension plan.

Commissioner Bowin reminded the Board that the District was currently in an extreme period of growth, doubling its size in the next five to ten years. He stated that the District hires top-notch firefighters who will provide excellent service to the Community. He added that the District would fund its pension liabilities and expenses, though that was secondary to providing quality employees.

Commissioner Fickes commended Green for her audit expertise.

**Commissioner Fickes moved that the Board approve the 2015/2016 Audit Report with financial statements and footnotes. That motion was seconded by Commissioner Bowin and passed unanimously.**

## VIII. ELECTION OF OFFICERS

- 1. Commissioner Fickes moved that George Kattermann be re-elected as chairperson of the RVFD Board of Directors. That motion was seconded by Commissioner Bowin and passed by a vote of 4-0-1, Kattermann abstaining.**

2. **Commissioner Bowin moved that Jerry Fickes be re-elected as district clerk of the RVFD Board of Directors. That motion was seconded by Commissioner Finney and passed by a vote of 4-0-1, Fickes abstaining.**
  
3. **Commissioner Fickes moved that Marty Bowin be re-elected as treasurer of the RVFD Board of Directors. That motion was seconded by Commissioner Finney and passed by a vote of 4-0-1, Bowin abstaining.**

Commissioner Bowin asked that, in the future, the Board be alerted in November that officer elections would be held in December, thus providing a longer period for consideration for those contemplating an officer position.

## IX. REPORTS AND CORRESPONDENCE

### ***Clerk's Report***

#### Future Meetings

Commissioner Fickes noted the following meeting dates:

- Monday, January 23, 2017 – 10:00 a.m. (Please note temporary change in time.)
- Tuesday, February 21, 2017 – 9:00 a.m.
- Monday, March 13, 2017 – 9:00 a.m.

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

Fickes informed Board members that the newest actuarial report was available for review.

He added that the ten-year payback for the original RVFD firefighters who are now eligible for retirement, plus added DROP employee expenses, increase the District's liability significantly.

### ***Finance Report***

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

<b>Financial Report – November 30, 2016</b>	
Revenue	\$451,775.90
Expenses	\$209,234.62
Other Income (Expense)	\$46,566.24
Net Income (Loss)	\$289,107.52
Monthly Budgeted Net Income (Loss)	(\$13,526.41)

YTD Budgeted Net Income (Loss)	\$344,664.42
YTD Actual Net Income (Loss)	\$298,992.15
General Fund Operating Cash*	\$1,513,367.77
Capital Fund Cash	\$431,768.24
Capital Fund Advances to General Fund	\$750,000.00
Capital Fund Equity	\$1,181,768.24

\* Includes error deposits by Maricopa County of \$300,000 and \$11,853.47. This will be corrected in December 2016. \$1,201,514.30 is the memo balance for the general fund effective 11/30/16.

Bowin stated that the RVFD had requested that the Maricopa County Treasurer make the following two transfers in November:

1. 11/17/2016: Transfer \$11,853.47 from the RVFD capital fund to the general fund. This is a capital fund reimbursement to the general fund for the purchase of capital assets (CPR compression machine).
2. 11/22/2016: Transfer \$300,000 from the RVFD general fund to the capital fund as a partial payback of funds borrowed to cover operating expenses.

Maricopa County instead deposited both \$11,853.47 and \$300,000 into the general fund (but not from the capital fund—source of funds is unknown). Jo Lewis contacted Doug Hill at the Maricopa County Treasurer’s office on 12/6/16, and Doug has created a journal entry (JE) dated 12/6/16 correcting this error.

Stephen Crandall of SC Audit & Accounting Solutions (RVFD’s contracted CPA) created a JE in the general fund to indicate the deposits made in error are actually liabilities, and they will be returned to the County and properly transferred (as requested on 11/17 and 11/22) in December by the Treasurer’s office.

Even though wildfire reimbursement funds had been received, Bowin noted that payroll expense is well over budget. Bowin suspected the increased payroll expense to be overtime from wildfire coverage and part-time payroll. Chief Ducote will review payroll figures and report his findings to Bowin. Other District expenses appear to be well within budget.

**Commissioner Bowin moved that the Board accept the November 30, 2016, Financial Report as presented. That motion was seconded by Commissioner Fickes and passed unanimously.**

**Commissioner Bowin moved that the Board accept the November 30, 2016, Monthly Transaction Report (formerly called the Cleared Warrant Report). That motion was seconded by Commissioner Hayne and passed unanimously.**

**Commissioner Bowin moved that the Board accept the November 30, 2016, bank reconciliations as submitted. That motion was seconded by Commissioner Finney and passed unanimously.**

**Commissioner Bowin moved that the District approve another 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.**

Regarding future capital expenses, Commissioner Bowin indicated that the first payment on the new engine would be due in January, and the second PSPRS payment would be paid before the end of December.

To summarize past capital expenses, Commissioner Bowin reported that the ambulance and ambulance equipment had been purchased, the down payment had been made on the new engine, and the CPR machine had been purchased.

### **EMS Survey Report**

Commissioner Finney indicated that four (4) survey responses had been received, both listing their service as “Outstanding.” No requests were made for follow-up contact.

Deputy Chief Merrill clarified that though most survey responses are received from residents that had been transported, surveys are provided to anyone receiving service.

### **Chief's Report**

#### **Pancake Breakfast**

Chief Ducote announced that the December 3 pancake breakfast was very successful. Twelve hundred pancakes were “flipped,” and 500 people attended. \$10,000 was raised for Verde Cares.

#### **New Hires (Firefighters)**

Chief Ducote indicated that the new firefighters started on November 30, 2016, and everything was going smoothly.

### **Deputy Chief's Report**

#### **Activity Report – District Response Times – November 2016**

Deputy Chief Eric Merrill reported the following response times for the month of November 2016:

Call Type		Response Time	
In-District EMS (Average)		2:50	
Out-of-District EMS (Average)		11:20	
Out-of-District Corridor (Average)		14:00	
In-District Non-Emergency (Average)		4:32	
Call Type		# Occurrences	
Year		2016	2015
EMS In-District Calls		30	21
EMS Out-of-District Calls		2	1
EMS Corridor Calls		2	2
Non-EMS In-District		22	23
Transports		20	17
BP/Information Services		41	63
Station Tours/Walk-in First Aid		11	0
Child Seat Install		1	8
Outside Rescue Used Within District		0	10
Fire-related Calls*		10	3

\*Fire Alarm, False (7)  
 Gas Leak (2)  
 Rubbish Fire (1)

Merrill informed the Board that less billing errors had been experienced, software had been improved, and the billing procedures were running more smoothly.

Chairperson Kattermann noted that \$15,000 had been received in ambulance billing during this fiscal year. This is approximately half of the budgeted amount due to an assumption error in exactly what Medicare would pay. Next year's budget will reflect accurate anticipated ambulance service revenue.

In the November Board meeting, staff was charged with the responsibility of looking into the possibility of having its current "urban" classification changed to "rural" in order to allow charging a higher ambulance transportation fee. Merrill explained to the Board that pursuant to government rules, the Verde communities are too close to Scottsdale to qualify as a "rural" ambulance service provider.

### ***Administrative Manager's Report***

#### Wildfire Billing

Administrative Manager Jo Lewis reported that all wildland expenses had been reimbursed as follows:



Rey Fire; Santa Barbara, CA	\$58,957.03
Chimney Fire; Paso Robles, CA	\$11,097.99
Tenderfoot Fire; Yarnell, AZ	\$9,543.06
Cedar Fire; Show Low, AZ	<u>\$6,376.68</u>
<b>Total</b>	<b>\$85,974.76</b>

These wildfire reimbursements offset “Payroll”, and the “Payroll Reimbursement” offsets “Fulltime Overtime”.

AFDA Winter Conference

The AFDA Winter Conference will be held January 12—14, 2017, in Laughlin, Nevada. Most commissioners will attend.

**X. UNFINISHED BUSINESS**

There was no unfinished business.

**XI. BOARD PERSON COMMENTS**

Commissioner Fickes remarked that the times shown on the AFDA schedule are Nevada times, not Arizona times.

**XII. CHAIRPERSON COMMENTS**

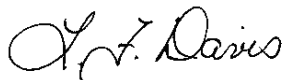
Chairperson Kattermann commended everyone involved in the pancake breakfast. He also thanked both the staff and Board for their service throughout the year.

Commissioner Fickes indicated that no further information has been received on Proposition 206 regarding the minimum wage change. Chief Ducote stated his understanding that for every 30 hours a part-time staff works, one hour of overtime must be provided. Additionally, it appears that part-time staff also accrues one hour of sick leave or vacation for every 30 hours worked.

**XIII. ADJOURNMENT**

**Commissioner Fickes moved that the meeting adjourn at 10:07 a.m. That motion was seconded by Commissioner Hayne and passed unanimously.**

Respectfully submitted,



Libby Floyd Davis  
My Personal Secretary  
(From Voice Recording)