



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

April 24, 2017

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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, Deputy Chief Eric Merrill, and Administrative Manager Jo Lewis, Rio Verde Fire District

I. CALL TO ORDER

The Monday, April 24, 2017, General Session of the Board of Directors was called to order by Chairperson George Kattermann at 9:00 a.m. in the Rio Verde Community Center Conference Room, 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 Specialists report.

V. CALL TO THE PUBLIC

There was no response to the Call to the Public.

VI. APPROVAL OF MINUTES

March 13, 2017, General Session

Commissioner Fickes moved the approval of the March 13, 2017, General Session minutes as submitted. That motion was seconded by Commissioner Finney and passed with a vote of 4-0-1 (Commissioner Hayne abstaining).

VII. REPORTS AND CORRESPONDENCE

Clerk's Report

Future Meetings

Commissioner Fickes noted the following meeting dates. All meetings will be held at the Rio Verde Community Center Conference Room.

- Monday, May 22, 2017 – 9 a.m.
- Monday, June 26, 2017 – 9 a.m.
- Monday, July 24, 2017 – 9 a.m.

Finance Report

Commissioner Bowin submitted the following financial report for the month of March 2017:

Financial Report – March 2017	
Revenue	\$186,156.63
Expenses	\$215,855.29
Other Income (Expense)	\$690.00
Net Income (Loss)	(\$29,008.66)
Monthly Budgeted Net Income (Loss)	(\$78,444.50)
YTD Budgeted Net Income (Loss)	\$3,873.53
YTD Actual Net Income (Loss)	\$159,927.10
General Fund Operating Cash	\$294,161.30
Capital Fund Cash	\$941,387.59
Capital Fund Advances to General Fund	\$125,000.00
Capital Fund Equity	\$1,066,387.59

Commissioner Bowin noted the following highlights for March:

- Wildland reimbursements could offset some of the "Payroll" overage.
- The category of "Payroll" was still over budget but is being addressed.
- Ambulance revenue was higher than anticipated.
- The quarterly \$12,500 PSPRS contribution had been paid.

Short discussion was held on whether or not procedure should require that Chief Ducote sign the bank reconciliations, as the former chief was not required to sign. The Board agreed that it would be a benefit, so he will continue to sign those reports.

Commissioner Bowin moved that the Board accept the March 2017 Financial Report as presented. That motion was seconded by Commissioner Fickes and passed unanimously.

Commissioner Bowin moved that the Board accept the March 2017 Monthly Transaction Report. That motion was seconded by Commissioner Finney and passed unanimously.

Commissioner Bowin moved that the Board accept the March 2017 bank reconciliations as submitted. That motion was seconded by Commissioner Finney and passed unanimously.

VIII. DISCUSSION ON FY 2017/2018 BUDGET WORKSHEET

Chief Ducote led discussion on the first draft of the FY 2017/2018 budget worksheet:

- Permit and plan revenue will be reduced due to less commercial buildings planned for next year.
- The ambulance revenue budget for 2017/2017 is lower than collection in 2016/2017 due to the prior year's carryover from billing that began in August 2016. Intermedix data showed similar transports as average per month.
- The healthcare quote from Health Net has not yet been received. The draft budget includes the same percentage increase for FY 2016/2017.
- In time, minutes of the General Session Board meetings will be compiled by the new administrative staff member, as opposed to the current independent contractor.
- The "Station Maintenance" budget of \$15,500 brought over from the FY 2016/2017 most likely included the roof replacement. If it does, Jo Lewis will reduce that category for the FY 2017/2018 budget.
- A heightened interest in training and higher education has resulted in an increase to the category "Training and Education."
- The "Total Other Income" projected for FY 2016/2017 (\$1,391,704.54) includes the expected sale of Engine 441 for \$58,500.
- The "Net Income" currently showing for the draft budget FY 2017/2018 will be included in the transfer to capital at year-end.
- Personnel expense offsets revenue from the increase in values (levy) and the number of structures in the Community.
- FY 2017/2018 "Total Other Income" of \$260,817.38 includes an estimate of FY 2016/2017 year-end transfer to capital from net income.
- Due to budget constraints, discretion will be used for wildland deployments until fiscal year end.
- Commissioner Fickes requested that the "Professional Services: Secretarial" expense be moved into the "Pension Expense" category.

Jo Lewis noted that the District's accountants are conducting a quarterly review of its books, and they would hold a review meeting with staff in May.

Chairperson Kattermann commended staff members for the work done to create the first draft of the FY 2017/2018 budget.

IX. DISCUSSION ON POSSIBLE SALE OF OLD AMERICAN LAFRANCE ENGINE 441

Chief Ducote led discussion on whether or not to keep the old 2002 American LaFrance fire engine after receipt of the new Pierce engine in May. He noted that selling the American LaFrance engine would provide:

- Sale value to District
- No further maintenance costs
- No need for long-term parking
- No need for backup engine, as City of Mesa supplies that engine
- Since some equipment, including hoses, would be transferred to the new engine, we will spend considerably less than the \$36,000 that was budgeted.
- No need for replacement parts – American LaFrance is no longer in business.

Commissioner Fickes reminded the Board that operating without a backup truck on premises might affect the ISO rating (Insurance Service Office). Commissioner Bowen countered that the current ISO rating is based on not having a backup engine. The District does not have another ISO rating scheduled for two to three years.

Ducote provided three bids from fire apparatus sales companies and recommended the bid from Command Fire Apparatus (CFA) for purchase of the old American LaFrance unit:

- FireTec Used Apparatus Sales \$65,000 - \$70,000 less 10% commission upon sale
- Fenton Fire Equipment Co. \$65,000 - \$85,000 less 10% commission upon sale
- Command Fire Apparatus (CFA) \$58,500 – no commission – outright purchase

Commissioner Bowin moved that the Board accept the contract with Command Fire Apparatus to sell the old American LaFrance engine 441 for \$58,500, no commission. That motion was seconded by Commissioner Finney and passed unanimously.

X. DISCUSSION OF WORKERS' COMPENSATION CONTRACT

Commissioner Fickes moved that the Board accept a bid for \$118,000 for workers' compensation coverage from CopperPoint. That motion was seconded by Commissioner Bowin and passed unanimously.

XI. DISCUSSION OF NEW I.T. CONTRACT

Jo Lewis led discussion on the need for an updated I.T. contract. Lewis stated that the current I.T. contract is not supplying the District's needed service, and the current system is outdated and inefficient. Deficiencies include:

- Onsite backup is not sustainable
- Offsite backup is non-existent
- Current server is outdated and slow
- Network is not HIPAA compliant
- Email hosting isn't compliant

Systems were evaluated, and bids were received from two companies – Sunstate Technology Group and Pacific Office Automation. Chief Ducote recommended accepting the quote from Sunstate

Technology Group, effective May 1, 2017, as follows:

- Initial cost of system change \$1,791
- Monthly fees \$1,791 (\$21,492 annually)

The monthly fee includes new computers and standardized software with scheduled computer replacements every four years. The contract is a 30-day contract, with the price quote in effect for four years.

An additional capital request for \$7,495.04 is needed so that the District could own the new server, firewall router and battery backup. This expense would be necessary to ensure the District's electronic security regardless of which provider is used.

Commissioner Bowin moved that the quote from Sunstate Technology Group for \$23,283 (\$1,791 x 13) for one year be accepted. That motion was seconded by Commissioner Fickes and passed unanimously.

XII. ADJOURNMENT TO EXECUTIVE SESSION/RECONVENE TO GENERAL SESSION

At 10:18 a.m., Commissioner Fickes moved that the Board adjourn to Executive Session to discuss the: 1) PSPRS contributions and 2) employee compensation. The motion was seconded by Commissioner Bowin and passed unanimously.

The Committee reconvened to General Session at 11:40 a.m.

XIII. DISCUSSION FROM EXECUTIVE SESSION

Cola Increase

Commissioner Bowin moved that the District offer a cost of living increase of 1.4% to all staff members for the FY 2017/2018. That motion was seconded by Commissioner Fickes and passed unanimously.

457(b) and 401(a)

Commissioner Fickes moved the following:

- **TIER 2: Firefighters who choose the PSPRS hybrid 401(a) contribution plan before June 30, 2017, will NOT receive the District's matching contribution (currently 2%) to the 457(b). The RVFD hybrid 401(a) contribution will amount to only that required by the new law if that option is chosen.**
- **TIER 3: Firefighters will only have the hybrid 401(a) match set by the law available to them. 457(b) (2% match) is NOT available to Tier 3 firefighters hired after July 1, 2017. However, the 457(b) will still be available for Tier 3 employees up to the maximum set by law but without a RVFD match.**

The motion was seconded by Commissioner Hayne and passed unanimously.

XIV. CONTINUATION OF REPORTS AND CORRESPONDENCE

EMS Survey Report

Commissioner Finney indicated that nine (9) survey responses had been received, all listing their service as "Outstanding." There were no negative comments.

Chief's Report

Part-time Office Staff

Jo Lewis received nine (9) applications for the new part-time administrative staff member. Telephone interviews will occur initially, with physical interviews following.

2017 Tax Rate Override

Chief Ducote advised the Board that applications for the 2017 tax rate override, a five-year option to increase tax levies to 3.5%, would only be accepted until August. This option could be used to increase revenue without a bond issue.

New Fulltime Firefighters

Chief Ducote and Deputy Chief Merrill have provided conditional fulltime job offers for two firefighters, pending physical and background checks. Their start date will be July 5, 2017, after the Tier 3 begins. Both firefighters are from Rural Metro/Fountain Hills.

Commissioner Fickes requested that PSPRS Local Board Director Dr. Alan Nelsen be provided with copies of both firefighters' physical examination files, so that Dr. Nelsen can recommend the firefighters through the hiring process to the Local Board.

Deputy Chief's Report

Activity Report – District Response Times – March 2017

Deputy Chief Eric Merrill reported the following response times for the month of March 2017:

Call Type		Response Time	
In-District EMS (Average)		3:23	
Out-of-District EMS (Average)		17:00	
Out-of-District Corridor (Average)		10:50	
In-District Non-Emergency (Average)		4:47	
Call Type		# Occurrences	
Year		2017	2016
EMS In-District Calls		25	22
EMS Out-of-District Calls		1	5
EMS Corridor Calls		6	6
Non-EMS In-District		89	45
Transports		18	20

BP/Information Services	34	41
Station Tours/Walk-in First Aid	11	22
Child Seat Install	5	24
Outside Rescue Used Within District**	2	0
Fire-related Calls*	3	3

*Smells of gas and smoke – non-incident

**Outside rescue unit used, because District unit was on other calls

New Fire Engine Update

The new Pierce fire engine should arrive in approximately two weeks. Capital equipment funds for \$36,000 had been previously approved for this new engine. The majority of these funds can be returned to the capital account by utilizing some of the equipment from the old engine.

Administrative Manager's Report

Administrative Manager Jo Lewis noted no additional comments.

XV. UNFINISHED BUSINESS

There was no Unfinished Business.

XVI. BOARD COMMENTS

Commissioner Finney noted that Alexander Homes might be experiencing a directional change, triggering more discussion on District space requirements.

XVII. CHAIRPERSON COMMENTS

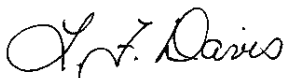
Chairperson Kattermann will distribute copies of an Arizona Republic article regarding pension investment management results on a state-by-state basis, with particular attention to the poor rate of return of the AZ PSPRS funds over a ten-year period.

Kattermann thanked the Board and staff for all their congratulations after his induction into the Lower Verde Valley Hall of Fame, as well as their assistance with his wife's medical care.

XVIII. ADJOURNMENT

Commissioner Fickes moved that the meeting adjourn at 12:05 p.m. That motion was seconded and passed unanimously.

Respectfully submitted,



Libby Floyd Davis
My Personal Secretary
(From Voice Recording)

lfd