



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

**July 24, 2017**

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

**July 24, 2017**

**COMMISSIONERS PRESENT:** Marty Bowin, Jerry Fickes, Jeanne Finney (via telephone), Cate Hayne, and George Kattermann

**COMMISSIONERS ABSENT:** None

**ALSO PRESENT:** Chief Jay Ducote, Deputy Chief Eric Merrill, Administrative Manager Jo Lewis, and Engineer Matt Oden, Rio Verde Fire District

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

The Monday, July 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, Commissioner Finney via telephone.

### **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

June 26, 2017, General Session

**Commissioner Fickes moved the approval of the June 26, 2017, General Session minutes as submitted with one revision (see below). That motion was seconded by Commissioner Bowin and passed unanimously.**

Page 7 motion:

**~~Chairperson~~ Commissioner Hayne moved that Policy #103.12 (Jury Duty/Witness Leave) be approved, effective July 1, 2017. That motion was seconded by Commissioner Fickes and passed unanimously.**

There was no Executive Session on June 26, 2017.

## VII. REPORTS AND CORRESPONDENCE

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

#### Future Meetings

Since financial reports are not usually completed until mid-month, the September 18 meeting was rescheduled for September 25, 2017. Commissioner Fickes will be out of town but will attend by telephone.

Commissioner Fickes noted the following meeting dates, all meetings to be held at the Rio Verde Community Center Conference Room:

- Monday, August 28, 2017 – 9 a.m.
- Monday, September 25, 2017 – 9 a.m.
- Monday, October 23, 2017 – 9 a.m.

### ***Finance Report***

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

<b>Financial Report – June 2017</b>	
Revenue	\$48,402.24
Expenses	\$201,141.31
Other Income (Expense)*	(\$91,334.39)
Net Income (Loss)*	(\$244,073.46)
Monthly Budgeted Net Income (Loss)	(\$188,314.39)
YTD Budgeted Net Income (Loss)	\$0.00
YTD Actual Net Income (Loss)*	\$142,936.36
General Account Operating Cash	\$105,394.59
Capital Account Cash	\$1,208,917.73
Capital Account Advances to General Account	\$0.00
Capital Account Equity	\$1,208,917.73

\*Includes permanent transfer of \$150,000 from General Account to Capital Account in June 2017

Commissioner Bowin noted the following financial highlights:

- The Financial Report includes the revenue from the sale of the old American LaFrance Engine 441 (\$52,650).
- The Financial Report reflects payment of \$176,534.01 in PSPRS reimbursements to eligible firefighters due to the Hall pension decision (Hall-Parker Contribution Refund). Interest figures have not yet been determined.
- The District had accomplished its fiscal year goals with an excess of over \$292,000.
- The YTD Actual Net Income amount of \$142,936.36 will be transferred from the General Account to the Capital Account in July.

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

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

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

**Commissioner Bowin moved that the Board approve the transfer of funds (loan) from the Capital Account to the General Account of \$350,000 to meet ongoing expenses. That motion was seconded by Commissioner Finney and passed unanimously.**

## VIII. JOB DESCRIPTION APPROVAL – ADMINISTRATIVE MANAGER AND OFFICE ASSISTANT POSITIONS

Chief Ducote presented the revised job descriptions for the administrative manager and office assistant positions.

Commissioner Hayne requested that contact information, EEO/AAP policy statements, and a notice of pre-employment drug testing be included on the job descriptions. Deputy Chief Merrill responded that job descriptions are for internal use only, but when job postings are made, all required information is included in that posting.

Commissioner Finney requested that page one of the administrative manager job description, under "Essential Functions," be revised to read:

*Collaborates with the fire chief ~~assembles and formulates~~ **to assemble and formulate** all RVFD budgets, both capital and operating.*

**Commissioner Hayne moved that the Board accept the job descriptions for both the administrative manager and office assistant positions with the above-mentioned revision. That motion was seconded by Commissioner Finney and passed unanimously.**

## IX. CONTINUATION OF REPORTS AND CORRESPONDENCE

### ***EMS Survey Report***

Commissioner Finney indicated that 7 survey responses had been received, 5 listing their service as "Outstanding," and 2 as "Good." Comments included that the ambulance ride was bumpy. It was noted that because the new ambulance was in for scheduled maintenance, the old ambulance had been used.

Chairperson Kattermann mentioned that he had received a communication from Intermedix requesting insurance information for his wife after a call in February, though he had provided that information at the time. Deputy Chief Merrill will check into the situation.

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

#### Wildland Deployment

Chief Ducote indicated that crews had been deployed to the Encino Fire on June 21 (Sonoita) and then to the Frye Fire (near Safford) on June 26 through July 10, 2017. Reports showed that the crews were instrumental in saving structures. There was no equipment damage, and all crews have returned.

### Shea Homes/Land Acquisition

Chief Ducote reported that he, Deputy Chief Eric Merrill, and Captain Chris Cavanaugh had met with Shea Homes to discuss some requested changes in signage and fire lane markings at Trilogy. Chief Ducote explained to them that the above requested changes were at variance with the District's fire code and, as such, no changes would be authorized.

Chief Ducote also spoke with Levi Shill and Rob Izer about the District's timeline on the acquisition of land for the new fire station and explained that:

- Until the property is in the District's name, no funds would be spent by the District on the new fire station. Shea Homes will contact its attorneys to ensure the land transfer is a priority for them.
- The District should start the station when Trilogy gets to 300 occupied homes. Once there is a 600-home occupancy, there will be sufficient tax revenue to justify the salaries of two beginning positions.
- Bond election paperwork would need to be filed by January of 2018 for a 2018 bond election. Election approval of that bond would potentially allow completion of the fire station in 2021. If the bond election were postponed until 2020, the fire station would most likely not be completed until 2023.
- The timeline for gaining County permits governing the construction of the new fire station was reviewed.

Shea Homes has a current occupancy of 115 homes. The District receives updates of that occupancy figure on a monthly basis.

### Alexander Building

Chief Ducote reported on talking with individuals seeking to purchase nearby property. Their anticipated lease amount appears reasonable to Chief Ducote for the administrative space needed. Verde Cares would continue to house their office in the building, and Honor Health's Dr. Richard Silver was contacted to determine their interest in leasing space for a midlevel healthcare facility.

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

#### Activity Report – District Response Times – June 2017

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

<b>Call Type</b>	<b>Response Time</b>
In-District EMS (Average)	4:19
Out-of-District EMS (Average)	11:00
Out-of-District Corridor (Average)	11:34
In-District Non-Emergency (Average)	4:35

Call Type Year	# Occurrences	
	2017	2016
EMS In-District Calls	16	16
EMS Out-of-District Calls	1	1
EMS Corridor Calls	5	4
Non-EMS In-District	26	30
Transports	13	12
BP/Information Services	45	35
Station Tours/Walk-in First Aid	5	0
Child Seat Install	5	0
Outside Rescue Used Within District	0	0
Fire-related Calls*	3	1

\*1 alarm malfunction, 2 brush fires in the corridor – mutual aid with Rural Metro

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

#### Wildland Fire Expense Update

Encino Fire (Southeastern Arizona) June 21 – 22, 2017 Jeff Staples, Jamie Hughes, Josh Johnson	\$7,496.02
Frye Fire (Southeastern Arizona) June 26 – July 10, 2017 Jeff Staples, Jamie Hughes, Josh Johnson	\$70,421.57
<b>TOTAL DUE</b>	<b>\$77,917.59</b>

Originally, the Board of Directors set an accounts receivable maximum of \$75,000, because the reimbursement period from the federal government was lengthy, leaving the District with a possible shortage of operating funds. Administrative Manager Jo Lewis suggested that since the procedure for reimbursements had been improved and funds were being collected on an acceptable time schedule, the Board consider increasing the accounts receivable maximum. She also noted that the invoiced figures include the mileage/wear-and-tear reimbursement on the truck for \$30,000.

Wildland firefighting provides staff with important hands-on training.

After discussion regarding continuing requests for wildland firefighting assistance, and noting the large number of wildland fires currently burning, Chairperson Kattermann provided Chief Ducote with the authority to increase the accounts receivable figure to \$150,000. Chief Ducote agreed to maintain sufficient staff and equipment to assure coverage within the District. Additionally, crews being dispatched will be rotated to assure

that all firefighters have the opportunity to gain this important firefighting experience. A motion to approve that amount will be prepared for the August Board meeting.

### 2015/2016 Budget Process

On July 19, 2017, the final budget paperwork was signed by Chairman Kattermann and Clerk Fickes and delivered to the Office of the Clerk of the Board, the Maricopa County Department of Finance, and Chase Bank. All three entities have confirmed receipt of that paperwork in writing.

### District Audit

The FY 2016/2017 RVFD audit will begin on Tuesday, August 29, 2017. Both Chairperson Kattermann and Commissioner Bowin have been invited to that initial meeting with CPA Kay Green of Assurance Professionals P.C.

### Hall and Parker Cases

Due to the recent Hall pension decision (Hall-Parker Contribution Refund), the District was required to refund its employees for Local PSPRS contributions in the amount of \$176,534.01 plus interest. Per Commissioner Bowin's request, all refund checks have been issued and delivered to those Local PSPRS members effected by the decision.

Administrative Manager Jo Lewis indicated that interest rates and amounts due are expected to be received in the next 60 days. She anticipated, based on the Court's Hall decision, that the prejudgment rate would be close to 4.25%, and the post judgment (after 6/28/17) rate would be close to 5.25%.

Lewis added that Tier 3 contribution EE/ER rates have been announced by AZ PSPRS at 9.94% for defined benefit plan participants.

### Special Transfers Between General and Capital Accounts

On July 10, 2017, \$176,534.01 was transferred from the Capital Account to the General Account to offset the refund to Local PSPRS members from the Hall and Parker cases.

## **X. UNFINISHED BUSINESS**

There was no Unfinished Business.

## **XI. BOARD COMMENTS**

There were no additional Board comments.



## XII. CHAIRPERSON COMMENTS

Chairperson Kattermann asked Commissioner Fickes to report on an article from *The Republic* regarding pension overhaul. The article explained the underfunding of the AZ PSPRS in terms of investing and DROP.

Fickes explained that Tier 1 is not a true defined benefit plan, as no one can guarantee all the assumptions. It is, in fact, more of a defined benefit/defined contribution plan. The only variable seems to be what the employee pays.

Fickes added that mayors and legislators are in favor of combining districts, hoping to reduce administrative costs. It was his opinion, however, that small districts such as the RVFD would always continue to do more to provide what the community needs than if two districts with different needs were combined under one management.

Chairperson Kattermann noted that the ten-year average investment return for the AZ PSPRS was 3.67%, compared to an assumed rate of return of 8% or 9%. He added that regardless of how much money is contributed, the investment performance will continue to bring down the funding ratio.

In order to reduce the State's PSPRS pension deficit, Commissioner Fickes suggested that a 5% taxation (of current employer contribution requirements) be allowed annually, solely for pension liability reduction purposes. He estimated that in five years, some of the pension liability would be reduced, and its looming interest would also be reduced. (The RVFD has traditionally paid a higher pension contribution than required to reduce this liability problem facing the most of Arizona.)

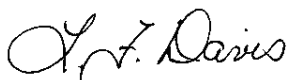
Fickes also suggested that the AZ PSPRS should enlist financial experts to advise future actions – individuals with no political interests (backgrounds in banks, insurance companies, etc.)

A PSPRS Local Board meeting will be held on Thursday, July 27, 2017, at 9:30 a.m. in the RVCA Conference Room to review the medical suitability of two prospective firefighters for the pension.

## XIII. ADJOURNMENT

**Commissioner Fickes moved that the meeting adjourn at 10:08 a.m. That motion was seconded by Commissioner Hayne and passed unanimously.**

Respectfully submitted,



Libby Floyd Davis  
My Personal Secretary  
(From Voice Recording)