

CENTRAL YAVAPAI FIRE DISTRICT
FIRE BOARD
REGULAR SESSION

September 23, 2015

MINUTES

1. CALL TO ORDER / ROLL CALL OF BOARD MEMBERS

Chairman Rutherford called the Fire Board meeting to order on Wednesday, September 23, 2015 at 1:02 p.m. at Prescott Valley Public Library Auditorium, 7401 E. Civic Circle, Prescott Valley, Arizona.

Members Present: Board Chairman Steve Rutherford, Board Clerk Bob Page, Board Members ViciLee Jacobs, Darlene Packard, and Tom Steele

Members Absent: None

Staff: Fire Chief Scott Freitag, Assistant Chief of Administration Dave Tharp, Administrative/IT Assistant Laura Mowrer

Others in Attendance: Attorney Nick Cornelius

2. PLEDGE OF ALLEGIANCE

Chairman Rutherford led the recitation of the Pledge of Allegiance

3. PRESENTATION

A. Prescott Valley Town Council Report

Prescott Valley Town Council Member Stephen Marshall provided the Board with the Town of Prescott Valley building permit information for August.

B. Fiscal Trend

Chief Freitag explained that a financial forecast was created in 2013 and based on that plan it was anticipated that this year would have the largest tax rate increase. He mentioned recovering from the recession has been difficult due in part to the additional legislation that was passed. As the commercial rates continue to decrease, the burden is passed on to residential homeowners based on the tax system. After this year, it is projected that the tax rate will increase at a lesser rate. However, under the fire authority, there will be additional savings. He explained that the maintenance and operating budget did increase; however,

staff remained within the Board's goals. The Board has made numerous cuts to the budget and modified the structure of the District in order to reduce costs.

Chief Bliss mentioned that he was part of senior staff in 2013 when the financial projections were made; however, he was not personally involved in the process. He provided an overview of the original plan, the current financial outlook, and stated the 2013 projected net assessed values are similar to today's actual values.

Chairman Rutherford stated that Prop 117 estimates were not included in the 2013 projections. Chief Freitag mentioned that the numbers would have been dramatically different if it weren't for Prop 117. As of this year, the District would have seen an 18% increase valuation if it weren't for Prop 117. Prop 117 limited the net assessed value to a 2.53% increase.

Chief Bliss explained that in 2013 staff predicted a District budget of \$20 mil by 2019 (without a joint powers authority). In reality, we are much lower than the projections. The original estimate for 2019 was that the District would be collecting \$19 mil, when in fact if Central Yavapai stays on its own we are anticipating a little over \$16 mil in 2020. This equates to an original projected tax rate of \$3.21 by 2019 and the legal maximum of \$3.25 by 2020. The new projected tax rate is \$2.59 by 2019 and a steady decline for the next few years. These projected values are based on conservative growth estimates.

Chief Freitag mentioned that the 2013 projections indicated the District would have a current tax rate of \$2.84. However, the actual tax rate is \$2.48. This shows how the current staff and Fire Board put the District back on track and is fiscally responsible.

Board Member Steele mentioned that the maximum tax rate is \$3.25 and many agencies are already there. Chief Tharp explained that per the Arizona Fire District Association over 60% of the Arizona fire districts are at the maximum tax rate. Eleven of the eighteen Yavapai County fire districts are at or above \$3.00 and most are at \$3.25. Some have obtained overrides, but there is a large concern that these agencies will become insolvent.

Chief Bliss explained that we project a \$.10 tax rate reduction by 2020 with creating the fire authority. The fire authority allows for the tax rate to be leveled out and reduced sooner than if Central was operating as a separate entity.

Chief Bliss stated that if the District stayed on track with the original 2013 plan, the District's savings account would have been depleted. The savings account needs to be funded appropriately to allow for maintaining a good credit rating. In addition the Capital Reserve Fund needs to be kept consistent in order to alleviate extreme tax rate fluctuations.

Chairman Rutherford expressed appreciation to labor representatives for working with the Board to reduce spending.

Chief Bliss explained that the funds remaining at the end of the fiscal year can be placed into capital reserve or the contingency account. Chief Freitag explained that the contingency funds were helpful during the Yarnell incident. The District staffed engines and assisted the City of Prescott. The State reimbursed some of these expenditures, but not all.

Chief Freitag mentioned that the State is still in the process of lowering the formulary for businesses. Last year their assessment ratio was 19%; this year it is 18.5%; next year it will be reduced to 18%. The expense is transferred to the homeowner. He explained that the combination of Prop 117, the reduction of the commercial rate, plus the recession makes recovery difficult.

4. CALL TO THE PUBLIC

Those wishing to address the Central Yavapai Fire District Board need not request permission in advance. The Fire District Board is not permitted to discuss or take action on any item raised in the Call to the Public due to restrictions of the Open Meeting Law; however, individual Board members may be permitted to respond to criticism directed to them. Otherwise, the Board may direct the staff to review the matter or the matter may be placed on a future agenda.

Yavapai County Board of Supervisors Chairman Craig Brown voiced his support of the Joint Powers Authority and mentioned that there are other organizations considering this option. He also shared the concern of a Chino Valley resident that believes they will not be represented in the fire authority because they will only have two out of the five board members. They suggested that the fifth position on the Board be rotated annually. They were also concerned that there will not be financial benefits for Chino Valley.

5. PUBLIC HEARING 2012 INTERNATIONAL FIRE CODE AMENDMENT

Chairman Rutherford opened the public hearing at 1:38 p.m. and asked for comments.

Being no comments, Chairman Rutherford closed the public hearing at 1:38 pm.

Chief Freitag stated that Fire Marshal Chase asked for additional time to review this item as there were some questions raised last week. He asked that this item be removed from the agenda.

Chairman Rutherford agreed to remove this time from the agenda.

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. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately for discussion and possible action.

- A. Approve August 18, 2015 Regular Session Minutes
- B. Approve August 18, 2015 Executive Session Minutes
- C. Approve General Fund Financial Statements
- D. Approve Bond Debt Service Financial Statements
- E. Approve Fire Protection Agreement - Brachman
- F. Approve Revised Annexation Resolution 14-04

Board Clerk Page made a motion to approve the consent agenda. Board Member Steele seconded the motion. MOTION CARRIED

AYES: Jacobs, Packard, Page, Rutherford, Steele
NAYS: None

7. REPORTS AND CORRESPONDENCE

A. Letters from the Public

Chief Freitag mentioned that a crew received a letter and a donation recently, and the captain expressed his appreciation. The captain explained that the crew was just nice.

B. Monthly Division Reports-Report from the Fire Chief and staff in regard to current activities of the Fire District and the status and progress relating thereto

Chief Freitag thanked the Board for their continued support of the military, and continued by stating he was honored to be invited to the commissioning ceremony for Firefighter Adam Wagner who is an Army Reservist. Firefighter Wagner completed 14 months of officer candidate school and was just commissioned as a Second Lieutenant. He finished second in his class. We are very proud of him and his accomplishment, and we also recognize his family's sacrifice. Chief Freitag mentioned that the leadership lessons that Firefighter Wagner has learned will benefit Central Yavapai. Congratulations to Second Lieutenant Adam Wagner and his family!

Chairman Rutherford shared his support of the quick car concept which would save money using smaller vehicles to respond to medical emergencies. Chief

Freitag explained that there are different vehicle options to consider and the firefighters would have their air packs and some tools along with their medical equipment in these units. He also stated that the District's ISO rating could be improved with these additional response units. In addition, some agencies are using a smaller vehicle for fire alarm calls when an alarm is sounding and no additional calls are received which usually indicates a false alarm.

Chief Tharp mentioned that the District is implementing an electronic Board packet. However, if specific documents are needed in hardcopy, they will be provided. This will be the standard packet for Central and for the fire authority.

Chief Tharp explained that staff is working for a greater change through AFDA and its legislative efforts. They are proposing legislative change such as removing some of the restrictions for consolidations, mergers, and JPAs to allow for a quicker transition. He mentioned a suggestion of a reset value for homes being sold to adjust the assessed value; this would not impact homeowners who stayed in their homes long term.

Fire Marshal Chase informed the Board that the week of October 5 is Fire Prevention Week. This year's theme is smoke detectors. *Hear the BEEP while you SLEEP.* Public service announcements will be provided to remind people of the importance of having functional smoke alarms in sleeping areas and the need to routinely replace smoke detector batteries. He also mentioned that the annual safe trick or treat event will be held at the Prescott Valley Event Center.

Chief Polacek recently returned from an off District wildland assignment. He explained due to our low fire danger, we were able to send firefighters to California, Washington, Oregon, and Idaho to assist with their fires. We also receive support from other states when we need it. He explained that we send out Type 1, 3, and 6 engines with crews and single resources to help manage fires. This is a huge asset to the District as we receive a wealth of experience in dealing with large incidents. We appreciate the support we receive, and the funds help the District.

Chief Polacek informed the Board that heart monitors were purchased, and we are now able to send EKGs to the hospital. We are also upgrading Chino's monitors and the City of Prescott received a grant to purchase LifePack15s. This will standardize the heart monitors in the tri city area. Additionally, we were able to purchase the other hazmat meter with a 50/50 split with the City of Prescott. This monitor is used to test the air quality during overhaul after a fire to help protect firefighters' health.

Chief Bliss discussed the purchasing agreements and informed the Board that there are different bid process requirements for larger school districts and

municipalities if their budget item is over \$100,000. We will need to research this when we have resources available.

8. OLD BUSINESS

A. Discussion and Update Regarding Local Public Safety Personnel Retirement System (PSPRS) Board

Board Member Jacobs stated that the local PSPRS Board met today, reviewed applications, and made a motion to move forward with the Fire Board. There are matters regarding some of the applicants that require executive session discussion. Since this is related to applicants, we cannot discuss in today's executive session as they require a 24-hour notice. This item will be placed on October agenda for executive session.

B. Discussion and Possible Action Regarding Joint Powers Authority Agreement and Resolution

Attorney Cornelius informed the Board that the Chino Valley Fire District Board reviewed the draft joint powers authority (JPA) agreement and the primary change was made in the Termination Section XIII. He explained that the term of the agreement would be for 3 years unless terminated by either party and would extend thereafter unless terminated. The agreement could be terminated without cause. He also mentioned that the disclosure section would be amended related to the Yarnell Hill incident as Central Yavapai has been released from the lawsuit. The next copy distributed will show all of these changes.

Attorney Cornelius mentioned that normally any topic addressed in the Call to the Public portion of the meeting cannot be discussed during the meeting as it is not agendaized. However, today's Call to the Public comments related to this specific item on the agenda, and if the Board so chooses, they may address those comments.

Chief Freitag stated that Chino Valley's Board has not expressed any concerns regarding the governance of the JPA. However, one Chino resident did voice concern and Chief explained that statute dictates that the board consists of five members and that at any given time one or the other board would have two or three members on the board.

Chairman Rutherford mentioned that everyone from both agencies and Boards have been very cooperative and realize there are benefits for both.

Attorney Cornelius stated that the agreement is written in alignment with State statutes and the voter-elected officials from the Chino Valley and Central Yavapai Boards will appoint the Board Members to the Joint Powers Authority Board. He

also mentioned there could be conflict of interest issues that may dictate who is appointed to the Board.

Chief Freitag mentioned that we are anticipating a clean agreement to be presented to the Board in October. He proposed moving Central's Board meeting to the same evening as Chino Valley's meeting, October 15. In addition, he suggested a combined meeting of both Boards for final review and approval of the Joint Powers Authority Agreement. He asked that the meeting be moved to Central Yavapai's Regional Training Academy (CYRTA).

The Board was in agreement to hold Central's October meeting on October 15. Chino Valley's Board will meet at 5:00 p.m., Central's Board will meet at 5:30 p.m., and a combined meeting of both Boards will meet at 6:00 p.m. at CYRTA at 9601 E. Valley Road, Prescott Valley.

Chief Freitag presented the Board with a preliminary list of items that will need to be accomplished after the agreement is signed in preparation of the July 1, 2016 start date. He mentioned one item being the Policy Manual. The plan is to prioritize the policies according to what must be amended prior to July, what would be nice to have amended, and items that can wait until after July. Any policies that have not been reviewed as of July 1, 2016 would revert to Central's as they are more detailed and up to date.

The Board had no other questions or comments related to the agreement. Attorney Cornelius will make the final revisions and distribute the Joint Powers Authority Agreement to all Central Yavapai and Chino Valley Board members prior to the October 15 Board meeting.

9. NEW BUSINESS

A. Approve 2012 International Fire Code Amendment and Resolution 15-05

Per Chairman Rutherford this item was pulled from the agenda.

B. Discuss and Approve Intergovernmental Agreement with Chino Valley Fire District for Shared Personnel – Special Duty

Chief Freitag mentioned that this agreement will allow both agencies to utilize members for special situations such as child car seat checks and paramedic instructors. Chino's Board approved this agreement last week.

Chairman Rutherford verified that this agreement would be in place until the JPA starts on July 1, 2016. Chief Freitag mentioned that this agreement will be used as a template for future personnel agreements until the JPA begins. He explained that the special duty pay is \$25.00 per hour. This is not overtime as

they are performing tasks not associated with their normal duties. There was further clarification by Board Member Jacobs that the special duty rate could not be used in lieu of their regular assigned duty hours or pay rate.

Chief Tharp explained that operations personnel normally work 2,912 hours per year. All hours worked above 2,912 in their normal capacity is considered overtime. If the employer designates nonhazardous duties, the employer can provide an alternate pay rate such as \$25.00 for teaching, tower work, construction projects, delivering supplies, etc.

Board Member Packard made a motion to approve Intergovernmental Agreement for Shared Personnel - Special Duty Rate between Central Yavapai Fire District and Chino Valley Fire District. Board Member Jacobs seconded the motion.
MOTION CARRIED

AYES: Jacobs, Packard, Page, Rutherford, Steele
NAYS: None

C. Discuss and Approve Purchase of Vehicle for Technical Services

Chief Freitag stated that this vehicle purchase is on the capital replacement schedule. However, it was brought to the Board early, because it was involved in an accident and was totaled by the insurance company.

Chief Bliss mentioned that this vehicle had about 165,000 miles on it, was assigned to Technical Services, and was used to travel to the communication sites. He stated that the insurance company will take possession of the vehicle and will pay the District about \$5,000.

Board Member Jacobs asked if there were other vehicles available to be used. Chief Bliss stated that the reserve battalion chief vehicle could be used. However, this is not the vehicle to be used in this position long term; this is a pickup truck with a camper shell.

Board Member Packard made a motion to approve the purchase of 2015 Dodge Ram 2500 4x4 from Auto Nation for an amount not to exceed \$35,000.00. Board Steele seconded the motion. MOTION CARRIED

AYES: Packard, Page, Rutherford, Steele
NAYS: Jacobs

D. Approve Policy Amendments

Modify Policy 650 Fitness Evaluation Program (PT Monitoring) into Joint Policy J650 with Modifying and Combining Policies 652 Monitoring Criteria, 653 Contraindications to Testing, 654 Health History Form, 656 Reserves;

Chief Freitag informed the Board that Rob Zazueta and Rob Duplessis are Peer Fitness leads and they have reviewed these policies along with the Joint Policy Committee. They policies were substantially the same; therefore, we are asking for them to be combined into a single joint policy.

Board Member Steele verified that these policies have been reviewed by employees of both Districts. Chief Freitag confirmed and stated that the Chino Valley Fire Board has also approved these changes.

Create Joint Policy J714 Incident and Medical / EMS Reports;

Chief Freitag stated that Chino Valley did not have clarification as far as completion of EMS reports. The Policy Committee reviewed Central's policy and approved this for Chino Valley also. Chino Board approved this policy.

Human Resource Specialist II Job Description

Chief Tharp explained that this is a continuation of the non-operational succession plans. The HR Specialist II position was the only job description that was lacking for the Human Resource Succession Plan. He also mentioned that the creation of the job descriptions and wage scales does not mean that these positions are being filled. These are for future succession planning.

Board Member Steele made a motion to approve Policies: J650 Fitness Evaluation Program; Policy J714 Incident and Medical / EMS Reports; and Human Resource Specialist II Job Description. Board Member Jacobs seconded the motion. MOTION CARRIED

AYES: Jacobs, Packard, Page, Rutherford, Steele
NAYS: None

E. Approve Resolution 15-06 and Single Owner Annexation - Judge - Parcel 401-01-105A Located at 11375 E. Mingus Vista Drive, Prescott Valley

Chairman Rutherford clarified that this annexation does not create an island.

Chief Tharp explained that as per statute State trust land is considered to be contiguous and an extension of the District's border. This annexation area borders the District on two sides.

Board Member Steele expressed concern that property owners may not know they are outside of the Fire District boundaries. Chief Tharp explained that real estate agents provide this information. In addition insurance companies also verify coverage prior to writing policies. Chief Tharp also mentioned that Chief

Freitag has proposed to the Board of Supervisors that legislation be considered for mandatory disclosure regarding lack of fire protection be provided to prospective real estate buyers.

Board Member Jacobs made a motion to approve Resolution 15-06 and annexation of Parcel 401-01-105A. Board Member Steele seconded the motion.
MOTION CARRIED

AYES: Jacobs, Packard, Page, Rutherford, Steele
NAYS: None

The following items were discussed out of order.

11. OLD BUSINESS CONTINUED

A. Discussion and Possible Action Related to Training Center Drainage Issues

Per Attorney Cornelius we are expecting to receive BlueScope's written engineering proposal related to mediation and repair of the drainage. BlueScope is the engineer firm that was hired by Ace. There is a teleconference scheduled, and Central Yavapai's engineer Len Erie will be distributing correspondence related to his review of BlueScope's request for proposal.

B. Discussion and Possible Action Related to the Yarnell Hill Fire Incident and Legal Claims

Attorney Cornelius informed the Board that the notice of dismissal with prejudice has been filed and Central Yavapai and staff are officially out of the Yarnell lawsuit. The only outstanding piece is the question and answer session that was to take place a year and a half from now. It was moved up to September 2015, but it has not taken place and is still in the process of being negotiated. It is Attorney Cornelius understanding that Battalion Chief Able will participate in this event.

C. Discussion and Possible Action Regarding Intergovernmental Agreement with State Forestry

Per Attorney Cornelius the State Forestry agreement has been reviewed by Central's insurance carrier VFIS. They are willing to allow the inclusion of the subrogation language that had been requested by the State Forester. Attorney Cornelius suggested that the Board wait to see how other agencies are handling this agreement. He explained that we do not want to take unnecessary risks as the current agreement is still in effect.

D. Discussion and Possible Action Regarding Joint Powers Authority Agreement and Resolution Continued

Attorney Cornelius stated there are a few items to discuss in Executive Session.

10. VOTE TO GO INTO EXECUTIVE SESSION

- A. Legal Advice Pursuant to A.R.S. §38-431.03(A)(3) and Instruction to District Legal Counsel Pursuant to A.R.S. §38-431.03(A)(4) Re: Training Center Drainage
- B. Legal Advice Pursuant to A.R.S. §38-431.03(A)(3) and Instruction to District Legal Counsel Pursuant to A.R.S. §38-431.03(A)(4) Re: Yarnell Hill Fire Incident and Legal Claims
- C. Legal Advice Pursuant to A.R.S. §38-431.03(A)(3) Re: Intergovernmental Agreement with State Forestry
- D. Legal Advice Pursuant to A.R.S. §38-431.03(A)(3) and Instruction to District Legal Counsel Pursuant to A.R.S. §38-431.03(A)(4) Re: Joint Powers Authority Agreement with Chino Valley Fire District
- E. Legal Advice Pursuant to A.R.S. §38-431.03(A)(3) and Instruction to District Legal Counsel Pursuant to A.R.S. §38-431.03(A)(4) Re: Attorney Cornelius' Waiver of Conflict of Interest

Board Member Jacobs made a motion to convene into Executive Session. Board Clerk Page seconded the motion. MOTION CARRIED

AYES: Jacobs, Packard, Page, Rutherford, Steele
NAYS: None

The Board recessed to go into Executive Session at 2:57 p.m.

Board Member Jacobs made a motion to reconvene in Open Session. Board Clerk Page seconded the motion. MOTION CARRIED

AYES: Jacobs, Packard, Page, Rutherford, Steele
NAYS: None

The Board reconvened into Public Session at 3:26 p.m.

11. OLD BUSINESS CONTINUED

- A. Discussion and Possible Action Related to Training Center Drainage Issues

- B. Discussion and Possible Action Related to the Yarnell Hill Fire Incident and Legal Claims
- C. Discussion and Possible Action Regarding Intergovernmental Agreement with State Forestry
- D. Discussion and Possible Action Regarding Joint Powers Authority Agreement and Resolution Continued

Chairman Rutherford asked if there was any further discussion regarding Items 11A-11D. No further discussion on these items.

12. NEW BUSINESS CONTINUED

- A. Approve Attorney Cornelius' Waiver of Conflict of Interest

Board Clerk Page made a motion to approve the waiver of conflict of interest for Attorney Cornelius. Board Member Jacobs seconded the motion. MOTION CARRIED

AYES: Jacobs, Packard, Page, Rutherford, Steele
NAYS: None

13. ADJOURNMENT

Board Member Jacobs made a motion to adjourn. Board Member Steele seconded the motion. MOTION CARRIED

AYES: Jacobs, Packard, Page, Rutherford, Steele
NAYS: None

Meeting adjourned at 3:28 p.m.

10/15/15
Date


Bob Page, Board Clerk

JS