

CHINO VALLEY FIRE DISTRICT
FIRE BOARD
REGULAR SESSION

March 15, 2016

MINUTES

1. CALL TO ORDER / ROLL CALL OF BOARD MEMBERS

Chairperson Ducote called the Chino Valley Fire District Fire Board meeting to order on Tuesday, March 15, 2016 at 5:00 p.m. at the Town of Prescott Valley, 7401 E. Civic Circle, Prescott Valley, Arizona.

Members Present: Board Chairperson Cyndy Ducote, Board Clerk Dave Dobbs, Board Members Julie Pettit, and Travis Bard

Members Absent: Board Member Dave McConnell

Staff: Fire Chief Scott Freitag, Assistant Chief of Administration Dave Tharp, Administrative Assistant III Laura Mowrer, Administrative Assistant Kylee Burch

Others in Attendance: Attorney Nick Cornelius (telephonically)

2. PLEDGE OF ALLEGIANCE

Chairperson Ducote led the recitation of the Pledge of Allegiance.

Board Member Bard arrived at 5:01 pm

Chairperson Ducote varied the agenda.

9. 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: Intergovernmental Agreement with State Forestry

B. Personnel Issue Pursuant to A.R.S. §38-431.03(A)(1) Regarding Chief Freitag's Annual Evaluation - An Invitation is Extended to the Members of the Central Yavapai Fire District Board of Directors for the Sole Purpose of Discussing Chief Freitag's Evaluation

Board Member Pettit made a motion to go into Executive Session. Board Clerk Dobbs seconded the motion. MOTION CARRIED

AYES: Bard, Dobbs, Ducote, Pettit
NAYS: None

Chairperson Ducote invited the members of the Central Yavapai Fire District Board into the Executive Session to conduct Chief Freitag's evaluation.

Chairperson Ducote recessed the meeting to allow the Board to go into Executive Session at 5:02 p.m.

Chairperson Ducote reconvened the Public Session at 5:54 p.m.

3. PRESENTATIONS

A. Update to Document Locator Archiving Software – Additional Costs

Chief Tharp provided the Board with a spreadsheet and updated them on the electronic document archiving software, Document Locator. He explained that we had anticipated a \$5,000 - \$10,000 hardware expense, however, the cost had increased due to a new Microsoft pricing structure for SQL servers; the server will cost \$12,000. The SQL version we currently have did not require a licensing fee. Microsoft is now requiring a one-time fee for all new servers that run SQL. Technical Services Manager Ogden found two for one sale in which to purchase the six required licenses. We have the funds available; however, they were not budgeted. Chino's cost will be an additional \$2,200 over the original estimate. Technical Services Manager Ogden warned us that we can expect these server fees in the future. Chief Tharp stated that we will have Document Locator up and running within the next month.

Board Member Pettit thanked Chief Tharp for the update and stated that she is glad we are moving forward with this project; additional costs are not surprising.

4. CALL TO THE PUBLIC

Chairperson Ducote opened the meeting for public comment.

There were no comments from the public.

5. CONSENT AGENDA

- A. Approve Regular Session Minutes - February 16, 2016
- B. Approve General Fund Financials
- C. Approve Capital Reserve Fund Financials
- D. Approve Bond Debt Service Financials
- E. Approve Bond Fund, 2007 Financials
- F. Approve Fire Protection Agreement – Harmon
- G. Approve Fire Protection Agreement – Herrold

H. Approve Fire Protection Agreement - Nickle

Board Clerk Dobbs made a motion to approve the consent agenda. Board Member Bard seconded the motion. MOTION CARRIED

AYES: Bard, Dobbs, Ducote, Pettit

NAYS: None

6. CORRESPONDENCE

A. Letters from the Public

Chief Freitag mentioned that there was one letter from Sedona Fire District Chief Kazian thanking Chief Freitag for his assistance with their assistant chief hiring process.

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

Chief Freitag stated that the Chino Valley phone number (928) 636-2442 no longer exists which has created challenges. He explained that we are currently working to notify the public. We were not aware that the number was going away and have addressed the issue internally. Fire Marshall Chase sent out press releases, Google and the website was updated, and information was posted on Facebook trying to get the information out. We are implementing processes to ensure that these issues do not occur in the future.

Chief Freitag stated that he received an email from Prescott Fire Chief Light stating that the Prescott City Council had given him approval to apply for a Staffing for Adequate Fire & Emergency Response (SAFER) Grant to either retain or replace positions that he is going to lose due to the \$600,000 budget cuts. Chief Freitag explained that we are a system; we are not Prescott Fire Department or Central Arizona Fire and Medical. That system covers 300 square miles with 14.5 engines staffed with paramedics (It used to be 15 engines.) Any decisions that Prescott makes in reductions is going to have a significant impact affect all the entire system. Four Plans have been developed.

- Plan A – City of Prescott stays with the status quo with brownouts.
- Plan B – City of Prescott shuts down one station completely.

Both Plans A and B require us to continue as normal. This is due to Battalion 3 (Central Yavapai's current district) being a series of islands that surround the City of Prescott. There are areas that we cannot access. Prescott handles those areas through automatic aid. Annually, we run about 1,200 calls into the City of Prescott and they run approximately 600 calls into Central Yavapai's jurisdiction. The cost for us to cover those areas that are provided service by the Prescott Fire Department is significant.

Automatic aid saves money both the City of Prescott and Central Arizona Fire and Medical.

- Plan C – City of Prescott closes two stations, but continues to run emergency medical calls. We would stay status quo to start, but we would review monthly data and adjust the aid agreements as necessary.
- Plan D – If the City of Prescott stops running emergency medical calls and closes fire stations, the automatic aid agreement will go away. This will not significantly impact Chino Valley. This would have a significant effect on Central Yavapai and cost the taxpayers more money, because it would require at least two additional apparatus (likely alternative response vehicles) and additional personnel would need to be hired. That is why we have approached this situation as a system. Even the City of Prescott is stating they cannot make decisions in a vacuum.

Chief Freitag mentioned that he does not know what the final outcome would be. He stated these cuts would be prior to July 1. If \$600,000 has to be cut from a fire department budget, that is people. They are looking at re-structuring their truck at the airport.

Chief Freitag stated that he will be in Phoenix Thursday morning at 9:00 a.m. to testify in the Senate Committee hearing on the wildland prompt pay issue. We are getting support on the legislative side; it is a matter of if we can get the Governor's staffer's support. Chief Freitag confirmed that these hearings are open to the public.

Chief Freitag stated that we are working on the tax rate cap with Arizona Tax Research Association (ATRA); however, that is not going to impact the District. We are supporting the smaller districts that will be impacted.

Board Clerk Dobbs asked if there is a back-out timeframe for the Prescott automatic aid agreement. Chief Freitag stated that we can make adjustments as needed; the dispatch agreement does have a timeframe for cancellation. Chief Freitag stated that there are maps at Station 53, 8555 E. Yavapai Road, Prescott Valley, that show the impact of closing Prescott stations, and he invited anyone that was interested to stop by and view the maps.

Chief Freitag stated that he had a conversation with representatives from American Medical Response (AMR) to confirm everyone was on the same page.

Chief Tharp explained we are in good shape comparing the net assessed valuations we received from the county to what was forecasted. There was a slight difference year-to-year, but after meeting with Yavapai County Assessor Pam Pearsall, we now have a better understanding of property assessment valuation, property taxation, and classification codes. Chief Tharp will be teaching on this subject at the Arizona Fire District Association (AFDA) Conference in July. He will also be assisting Ms. Pearsall

with creating an instructional video to help fire districts to understand how net assessed valuation and property values have an impact in their budgeting and how they can use it as a forecasting tool.

7. OLD BUSINESS

A. Discussion and Possible Approval of Resolution 16-01 Providing for All Matters Necessary for the Sale and Issuance of Not to Exceed \$4,900,000 Aggregate Principal Amount of General Obligation and General Obligation Refunding Bonds of the District and Delegating to the Fire Chief and the Finance Manager of the District the Authority to Determine Certain Matters Necessary in Connection Therewith

Chief Freitag introduced Michael LaVallee with Stifel, Nicolaus Company, Incorporated. He will provide a detailed review of funding options and the idea of delegating items to the Fire Chief due to time constraints.

Michael LaVallee stated that the Board Members had a resolution before them and the assessed value has been updated. With Board approval, the resolution authorizes the Fire Chief to finish the process; this is very typical with bond issues. Mr. LaVallee explained that we will ask the banks to respond all in the same day, and they usually like to know if they are selected within a few days. Mr. LaVallee will provide a summary sheet of the banks' responses which will be shared with staff. The Chief selects the highest bidder--best option. We then inform that bank that they have been selected; they issue a rate lock to hold rate for a certain time period to allow for the credit review process. If a bank provides an offer outside the standard structure, the staff will bring it to the Board and may require a special meeting. The final documents will be presented for the Board Chair or their designee to sign.

Chief Tharp mentioned there might be some that are uncomfortable authorizing the Chief to approve \$4.9 million but there is a very short window to accept the bank rates. The Board will be notified of the rates. If there are odd terms presented, there will be a special board meeting scheduled. Chief Tharp explained that the Board will be informed of the terms that are received and the plan; we would like some input. He stated that the Tax Advantaged Bond Policy presented is a standard policy and Chino Valley and Central Yavapai have a joint policy that was approved last year. This was preemptive as Chino Valley already had bonds issued and we wanted to be sure we were in compliance with IRS.

Chief Freitag explained the issues that are in front of the Board: Is the Board comfortable refinancing the current debt; issuing additional debt of \$1.5 million based on the bond; and extending that out five years based on the numbers that Stifel has presented. This keeps the bond debt service at the same rate so there is not a tax increase to the taxpayers. The rate is based on zero growth in net assessed valuation in Chino Valley in 20 years. This is based on no growth; however, we know there will be some growth. Therefore, we should be able to keep the bond rate stable.

Board Clerk Dobbs made a motion to approve Resolution 16-01. Board Member Bard seconded the motion. MOTION CARRIED

AYES: Bard, Dobbs, Ducote, Pettit

NAYS: None

Chief Tharp explained that the Placement Agent Agreement will be discussed with staff and Stifel and the draft Term Sheet has been reviewed by bond counsel and once completed will be presented to lenders for solicitation.

B. Discussion and Possible Action Related to State Forestry Intergovernmental Agreement

Attorney Cornelius explained that as of March 2nd he had received a final draft agreement; all the suggested changes from the initial negotiations have been completed. He had hoped to have the final document for this meeting, but had not received that yet. The State Forester has been circulating the agreement to all agencies to establish a statewide version. The agreement contains language regarding outside contractors, press releases, etc. that does not apply at Chino Valley Fire District. Attorney Cornelius will follow up, and hopefully we will have the final agreement for the April Board meeting.

8. NEW BUSINESS

A. Discussion of Budget Process / Updates and Schedule of Work Study Session

Chief Freitag stated that we have five budgets ready to go for the next fiscal year. There is one for Central Yavapai Fire District and one for Chino Valley Fire District as if Central Arizona Fire & Medical Authority did not exist. Then there is one CYFD and one for Chino as pass-through budgets to the authority. There is one budget for the Fire Authority. We want to show both the Boards and the community what it would have looked like separately and together.

Chief Freitag mentioned that we need to have a work study session. This will be primarily for the CAFMA Board; however, it is important that all Board Members are there. The other Boards have agreed to Wednesday, April 6th at 10:00 a.m. The location will be determined. So far a majority of the Board Members are able to attend.

Chief Freitag will notify the Board of the confirmed date, time, and location for the budget work study session.

10. OLD BUSINESS CONTINUED

A. Discussion and Possible Action Related to State Forestry Intergovernmental Agreement Issues Discussed in Executive Session

No further discussion required.

11. NEW BUSINESS CONTINUED

A. Discussion and Any Necessary Action Related to Chief Freitag's Evaluation

Chief Tharp requested the Board Members to complete the Chief's evaluation form and return them back to Chief Tharp so that they can be placed in Chief Freitag's personnel file. He explained that Chief Freitag's contract will be discussed at the next CAFMA meeting.

12. ADJOURNMENT

Board Member Pettit made a motion to adjourn. Board Clerk Dobbs seconded the motion.
MOTION CARRIED

AYES: Bard, Dobbs, Ducote, Pettit
NAYS: None

Chairperson Ducote adjourned the meeting at 6:48 p.m.

4/19/16

Date

Dave Dobbs, Board Clerk