

MINUTES

**Central Arizona Fire and Medical Authority
Central Yavapai Fire District Board of Directors
Regular Session**

Tuesday, January 17, 2017, 4:00 pm - 4:30 pm

**Town of Prescott Valley - Library Auditorium - 7401 E Civic Circle - Prescott Valley -
Arizona**

In Attendance:

Darlene Packard; Dave Tharp; Jeff Wasowicz; Laura Mowrer; Matt Zurcher; Nicolas
Cornelius; Scott A Freitag; Susanne Dixson; Tom Steele; ViciLee Jacobs

NOTICE OF MEETING

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Central Yavapai Fire District Board of Directors and the general public that the Central Yavapai Fire District will hold a meeting open to the public on Tuesday, January 17, 2017 at 4:00 p.m. The meeting will be held at Town of Prescott Valley, Library Auditorium, 7401 E. Civic Circle, Prescott Valley, Arizona. The Board may vote to go into Executive Session on any agenda item, pursuant to A.R.S. §38-431.03(A)(3) for discussion and consultation for legal advice with the District's Attorney on matters as set forth in the agenda item. The following topics and any variables thereto, will be subject to Board consideration, discussion, approval, or other action. All items are set for possible action.

1. CALL TO ORDER / ROLL CALL OF BOARD MEMBERS

Board Chair Packard called the Central Yavapai Fire District (CYFD) Board of Director's regular session meeting to order on Tuesday, January 17, 2017 at 4:00 p.m. Board quorum present.

2. PLEDGE OF ALLEGIANCE

Board Member Steele led the recitation of the Pledge of Allegiance.

3. CALL TO THE PUBLIC

Those wishing to address the Central Yavapai Fire District Board need not request permission in advance. However, we ask that you complete a Call To Public Form for the record. The 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. Individuals may be limited to speak for three (3) minutes with a total of 30 minutes allotted for Call to the Public per meeting.

Board Chair Packard opened the meeting for public comments. There were no comments.

4. 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 Regular Session Minutes - December 20, 2016
- B. Approve Executive Session Minutes - December 20, 2016
- C. Approve General Fund Financial Statements
- D. Approve Bond Debt Service Financial Statements

Consent agenda item E was removed for discussion.

Motion to approve consent agenda items A, B, C, and D.

Move: Jeff Wasowicz Second: Matt Zurcher Status: Passed

Yes: ViciLee Jacobs, Darlene Packard, Tom Steele, Jeff Wasowicz, Matt Zurcher

- E. Transfer December Revenues from Central Yavapai Fire District to Central Arizona Fire and Medical Authority in the Amount of \$930,168.49

Item E was removed for discussion at Board Member Steele's request. He asked if this transfer is paying for salaries for a particular month for staffing fire stations and our percentage of management of CAFMA.

Chief Tharp explained the transfer is the sum of collected revenues from the Fire District. There are no direct line items for payroll or a percentage of administrative costs, etc. He stated that CAFMA as a whole operates in arrears, meaning that CAFMA has no money in the beginning of the year. Expenses are either paid with a line of credit or through reserve cash accounts until taxes are received from the Districts.

Chief Freitag explained that all employees are CAFMA employees; there are no longer Central Yavapai and Chino Valley Fire District employees.

Board Member Jacobs voiced concern regarding commingled tax revenue.

Chief Freitag provided a brief explanation of the structure of CAFMA and the intent of the two district participating in CAFMA. He stated that the individual Boards have approved the budget line items and the accounts are blended to pay the expenses.

Board Member Jacobs asked if an item could be added to next month's agenda to discuss this further. Chief Freitag said it could be added to the February agenda.

Motion to approve Item E under consent agenda.

Move: Matt Zurcher Second: Jeff Wasowicz Status: Passed

Yes: ViciLee Jacobs, Darlene Packard, Tom Steele, Jeff Wasowicz, Matt Zurcher

5. NEW BUSINESS

- A. Discussion of CAFMA FY 2017-2018 Budget Development Schedule

Chief Freitag stated that each Board will discuss the schedule, and the Central Arizona Fire and Medical Authority (CAFMA) Board will provide direction to Staff.

Chief Tharp explained that we will have the final assessed values from Yavapai County in February and Staff will provide an update at the Board meeting. There

will be a joint meeting in April for all Board members. The respective Boards will approve the tentative budget in May. The tentative budgets will be posted prior to the final approval in June.

Board Member Jacobs asked about the base budget submittal deadline. Chief Tharp explained that the base budget is primarily directed to staff; however, if Board Members have suggestions; please submit them. The key meeting will be in April for Board members. The times listed on the schedule for Board meetings will be changed from 1400 to 1600 hours (4:00 p.m.).

B. Discussion Regarding FY 2016 Audit Findings and Reports

Chief Tharp stated that the auditors presented the Fiscal Year 2016 audit at the December meeting. The audit was included in this Board packet. Chief Tharp encouraged Board Members to review the Management's Discussion and Analysis as it provides history and overview of the audit. He explained that the audit was good, and he provided explanations regarding the financial position of the District including: the General Fund, Capital Reserve, Bond Debt Service Fund, Reserve Pension Fund, Public Safety Pension Retirement System (PSPRS), assets, etc. He explained that about \$6.5 mil was transferred to CAFMA Capital Reserve Fund, and there was about a \$800,000 savings when bonds were refinanced. We may be able to refinance bonds in a couple years for additional savings. Chief Tharp explained that CYFD's PSPRS net pension liability is about \$25 mil; the total combining Chino Valley's liability is about \$30 mil. Furthermore, we are doing all we can; there are costs that we cannot control.

Chief Tharp informed that Board that he would be willing to meet with Board Members if anyone wanted additional information.

Chief Freitag explained that combining Chino and CYFD into CAFMA allowed us to decrease the pension liability.

C. Discussion and Possible Approval to Retain \$100,000 from CAFMA Distribution for CYFD Legal Expenses Specific to ACE Distribution Lawsuit

Attorney Cornelius explained that CYFD brought suit against ACE and their subcontractors regarding the Central Yavapai Regional Training Center drainage issue. We had estimated the cost of resolving this issue; however, it is now a litigation matter. The current expenditures are about \$30,000 for outside counsel and experts for the first six months of this fiscal year. We need to make a budget adjustment due to the additional expenditures expected with litigation. Attorney Cornelius does not believe the expenditures will be \$100,000.

Board Member Wasowicz asked if we would recoup expenditures. Attorney Cornelius believes that CYFD will be made whole.

Chief Tharp explained that we are expending more than what was budgeted as we were planning on settling the suit; the other parties chose litigation. He explained this is a liability against CYFD. CAFMA may need to use contingency funds to pay CAFMA bills due to not receiving the full disbursement amount from CYFD.

Motion to approve the retention of \$100,000 from the audited transfer of the CYFD General Fund to CAFMA.

Move: Tom Steele Second: Matt Zurcher Status: Passed

6. VOTE TO GO INTO EXECUTIVE SESSION

Motion to go into executive session.

Move: Matt Zurcher Second: Jeff Wasowicz Status: Passed

Yes: ViciLee Jacobs, Darlene Packard, Tom Steele, Jeff Wasowicz, Matt Zurcher

- 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

Board Chair Packard recessed public session to go into executive session at 4:54 p.m.

Board Chair Packard reconvened the public session at 5:12 p.m.

7. OLD BUSINESS

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

No discussion.

8. ADJOURNMENT

Motion to adjourn at 5:13 p.m.

Move: ViciLee Jacobs Second: Tom Steele Status: Passed

Yes: ViciLee Jacobs, Darlene Packard, Tom Steele, Jeff Wasowicz, Matt Zurcher

 
Clerk Date