

NOTICE OF MEETING

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Chino Valley and Central Yavapai Fire Districts and Central Arizona Fire and Medical Authority Board of Directors and the general public that the **Chino Valley Fire District, Central Yavapai Fire District, and Central Arizona Fire and Medical Authority** will hold a special meeting open to the public on **Tuesday, April 18, 2017 at 4:30 p.m.** **The meeting will be held at Central Arizona Fire and Medical Authority Station 61, 1133 W. Road 3 North, Chino 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.

AGENDA

1. CALL TO ORDER / ROLL CALL OF BOARD MEMBERS

- A. Chino Valley Fire District Board of Directors
- B. Central Yavapai Fire District Board of Directors
- C. Central Arizona Fire and Medical Authority Board of Directors

2. PLEDGE OF ALLEGIANCE

3. CALL TO THE PUBLIC

Those wishing to address the Chino Valley Fire District, Central Yavapai Fire District, or Central Arizona Fire and Medical Authority Board of Directors 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.

4. CONSENT AGENDA

- A. Approve Joint Fire Board Meeting Minutes - March 21, 2017
- B. Approve Joint Meeting - Budget Workshop Minutes - April 4, 2017

5. NEW BUSINESS

- A. Presentation, Discussion, and Possible Action Regarding Workers' Compensation Risk Pool

6. OLD BUSINESS

- A. Discussion and Possible Action Regarding Fiscal Year 2017-2018 Budget

7. ADJOURNMENT



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If any disabled person needs any type of accommodation, please notify  
Central Arizona Fire and Medical Authority at (928) 772-7711 prior to the scheduled meeting time.

## MINUTES

**Central Arizona Fire and Medical Authority  
Central Yavapai / Chino / Central Arizona Fire and Medical  
Joint Fire Board Meeting**

**Tuesday, March 21, 2017, 4:30 pm - 5:30 pm**

**Central Arizona Regional Training Academy - 9601 E Valley Road - Classroom 1 -**

**Prescott Valley**

**In Attendance:**

Darlene Packard; Dave Dobbs; Dave Tharp; Jeff Wasowicz; Julie Pettit; Laura Mowrer; Matt Zurcher; Nicolas Cornelius; Rick Mayday; Scott A Freitag; Susanne Dixon; Todd League; Tom Steele; ViciLee Jacobs

**Not In Attendance:**

Cyndy Ducote

### NOTICE OF MEETING

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#### 1. CALL TO ORDER / ROLL CALL OF BOARD MEMBERS

##### A. Chino Valley Fire District Board of Directors

**Board Clerk Dobbs called the Chino Valley Fire District Board to order on March 21, 2017 at 5:00 p.m. and asked roll to be taken. Todd League attending telephonically. Board quorum present.**

##### B. Central Yavapai Fire District Board of Directors

**Board Chair Packard called Central Yavapai Fire District Board to order at 5:01p.m. and asked roll to be taken. Board quorum present.**

##### C. Central Arizona Fire and Medical Authority Board of Directors

**Board Chair Pettit called the Central Arizona Fire and Medical Authority Board to order at 5:01 p.m. and asked roll to be taken. Board quorum present.**

#### 2. PLEDGE OF ALLEGIANCE

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

#### 3. CALL TO THE PUBLIC

Those wishing to address the Chino Valley Fire District, Central Yavapai Fire District, or Central Arizona Fire and Medical Authority Board of Directors 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 Clerk Dobbs opened the meeting for public comments.**

**No comments.**

#### 4. CONSENT AGENDA

##### A. Approve Special Joint Session Minutes - February 21, 2017

**Motion to approve Consent Agenda.**

Move: Julie Pettit Second: Darlene Packard Status: Passed

Yes: Dave Dobbs, ViciLee Jacobs, Darlene Packard, Tom Steele, Julie Pettit, Jeff Wasowicz, Matt Zurcher, Todd League

#### 5. PRESENTATION

##### A. Presentation and Discussion Regarding Salary and Benefits Request

**Chief Freitag stated this is the first budget presentation since the creation of CAFMA, and we believe that all three boards need to provide input for the budget moving forward.**

**Union President Kontz addressed the Boards and thanked them for allowing him the opportunity to present the wage and benefit request. He explained that Labor has only requested minor changes in the last 10 years. A wage survey was conducted utilizing similar fire agencies that the former Board had approved, and Labor is seeking a 2% wage increase for Fiscal Year 2017-2018. Labor is not asking for any other benefits.**

**Union President Kontz's presentation:**

##### **History**

- Each year the labor group presents to the Board a wage and benefit update at the March meeting
- Over the last 10 years the group has presented updates, but has only requested minor changes
- In the last 10 years our group has experienced
  - Wage Freezes
  - Wage Compression
- Merit increases drop from 5% to 2.5%, extending the wage scale from a 7 year scale to a 13 year scale
- We have come before the Board the last few years in support of the agency's direction and did not ask for any adjustments.

##### **Today**

- The Board has always supported our employees
- To that end the Board policy suggests keeping wages competitive with the

market striving for the 50th to 75th percentile when fiscally feasible

- A wage comparison was completed this year utilizing the agencies who were agreed upon by a former Board

#### **Wages**

- Out of the 11 agencies utilized for the study, CAFMA's starting firefighters rank last
- In addition, other agencies reach top pay in less time
- Based on the study, our firefighter wages are out of alignment and could be considered less than competitive
- Prop. 206 (minimum wage) further complicates the matter when one considers the hourly rate
- This impacts other positions within the agency as well, especially when we consider compression caused by past wage freezes

#### **Proposal**

- We would like to work with the Board and staff on a plan that will make CAFMA competitive in the market while remaining fiscally responsible.
- Working with management we have developed a possible path forward
- To that end we would request a 2% increase for Fiscal Year 17-18

#### **Future**

- The difference between our current ranking and the 50th percentile is 9%.
- The difference between our current ranking and the 75th percentile is currently 12%
- In subsequent years: Provide staff direction to work with labor on a long term plan that will bring our wages back in alignment with the market.

#### **Other Benefits**

- The costs for health care to our members is currently higher than most of our peers.
- We understand that changes are possible in the future based on where health care is headed.
- To that end, we are not requesting any changes this year; however, it is something we should keep in mind.

Board Member Steele asked who the fire agencies were that Labor used in their wage comparison.

Chief Bliss named a few of the agencies such as Flagstaff Fire, Verde Valley, Daisy Mountain, Sun Lakes, Superstition, Prescott, and others.

Board Clerk Wasowicz confirmed that the 2% wage increase request was for all employees.

Union President Kontz explained that if the wage increase was for firefighters only the wage scales would become more compressed.

Board Clerk Dobbs asked when the wage survey was completed.

Union President Kontz stated that they began in January; however, they are going to start 6 months early in the future. If we start too early, we do not have the net assessed values. Ideas and plans can be developed, and the values can be added once they are received.

Board Member Steele confirmed that the comparisons are just for this year.

Chief Freitag explained that the Boards will be provided with three budgets during



the budget work study session starting with the 2%. There are summary documents included in today's packet.

Board Chair Packard asked for the Central Yavapai Fire District bond rate. Chief Tharp stated the current rate is \$.2341; it may go down to \$.22 next year.

## **6. OLD BUSINESS**

### **A. Discussion Regarding Fiscal Year 2017-2018 Budget**

Chief Tharp explained that annually staff provides three budget options. One summary has no increase, it only covers the MO expenses. This covers health insurance increases, PSPRS, etc. Labor would like to see a 2% wage increase; we provided summaries for 1% and 2% showing projected tax rates. He believes the points that Labor mentioned are important; the Town of Prescott Valley is already moving in the direction of raising their minimum wage to \$12.00 per hour in anticipation of the statutory change. We provided a summary to show the impact.

Board Member Mayday arrived 5:18 pm.

Chief Freitag explained that Proposition 206 impacts everyone across Arizona. It has a little more impact on us as we rank last in starting wages. The other categories of employees are also in the lower percentiles. Staff wants to work with the Board and Labor to allow us to be competitive to attract high quality members. Chief stated that the \$12.00 per hour minimum wage increments over a period of years; however, if our wage scale is not modified, when the \$12.00 per hour hits, our professional firefighters will only be making \$1.74 more than minimum wage.

Chair Pettit mentioned that there are two parts to consider: 1. Wages behind due to wage freezes and 2. The minimum wage increase.

Chief Freitag stated the Central Yavapai employee's wages were frozen for 3 years, and Chino Valley employee's wages were frozen for 8 causing compression. He noted that the wage scales have not changed for the past 10 years and there has not been a COLA for 10 years.

Board Clerk Dobbs mentioned that new entry-level employees start at the same pay as a current employee with 8 years of experience.

Chief Tharp explained that once the tentative budget is approved in May we cannot increase the budget; it is then posted for 30 days and is scheduled for Board approval in June to allow for a July 1 starting date. Staff will provide a revised budget after the April budget workshop.

Chair Pettit suggested April 4th for the budget workshop at 2:00 p.m.

Chief Tharp suggested at least 2 to 3 hours for the meeting and the meeting will be held at Central Arizona Regional Training Academy to allow room for all Board members and staff.

## **7. ADJOURNMENT**

Board Member Zurcher made a motion to adjourn Central Yavapai's meeting. Board Member Jacobs seconded.

CYFD Board Chair Packard adjourned Central Yavapai's meeting at 5:29 p.m.

**Board Member Pettit made a motion to adjourn Chino Valley's meeting. Board Member Mayday seconded.**  
**Chino Valley Board Clerk Dobbs adjourned Chino Valley's meeting at 5:29 p.m.**

**Board Member Dobbs made a motion to adjourn CAFMA's meeting. Board Member Zurcher seconded.**  
**CAFMA Chair Pettit adjourned CAFMA's meeting at 5:30 p.m.**

Move: Second: Status: Passed

Yes: Dave Dobbs, ViciLee Jacobs, Darlene Packard, Tom Steele, Julie Pettit, Jeff Wasowicz, Matt Zurcher, Todd League, Rick Mayday

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|----------------------------------------------|------|
| Central Yavapai Fire District<br>Board Clerk | Date |
|----------------------------------------------|------|

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|-------------------------------------------|------|
| Chino Valley Fire District<br>Board Clerk | Date |
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|                                                           |      |
|-----------------------------------------------------------|------|
| Central Arizona Fire and Medical Authority<br>Board Clerk | Date |
|-----------------------------------------------------------|------|

## MINUTES

**Central Arizona Fire and Medical Authority  
Central Yavapai / Chino / Central Arizona Fire and Medical  
Joint Meeting - Budget Workshop**

**Tuesday, April 4, 2017, 2:00 pm - 5:00 pm**

**Central Arizona Regional Training Academy - 9601 E Valley Road - Classroom 1 -**

**Prescott Valley**

**In Attendance:**

Darlene Packard; Dave Tharp; Jeff Wasowicz; Julie Pettit; Laura Mowrer; Matt Zurcher;  
Nicolas Cornelius; Rick Mayday; Scott A Freitag; Susanne Dixon; Todd League; Tom  
Steele; ViciLee Jacobs

**Not In Attendance:**

Cyndy Ducote

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#### 1. CALL TO ORDER / ROLL CALL OF BOARD MEMBERS

##### A. Chino Valley Fire District Board of Directors

**Board Member Pettit took roll call of Chino Valley Fire District Board Members at 2:21 p.m. A Board quorum is present.**

##### B. Central Yavapai Fire District Board of Directors

**Board Chair Packard took roll call of Central Yavapai Fire District Board Members at 2:22 p.m. A Board quorum is present.**

##### C. Central Arizona Fire and Medical Board of Directors

**Board Chair Pettit took roll call of Central Arizona Fire and Medical Authority Board Members at 2:22 p.m. A Board quorum is present.**

#### 2. PLEDGE OF ALLEGIANCE

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

#### 3. CALL TO THE PUBLIC

Those wishing to address the Chino Valley Fire District, Central Yavapai Fire District, or Central Arizona Fire and Medical Authority Board of Directors 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.

**CAFMA Board Chair Pettit opened the meeting for public comments.  
There were no comments.**

#### **4. NEW BUSINESS**

##### **A. Fiscal Year 2017-2018 Budget Workshop**

**Chief Freitag explained that this is a budget review, and he asked if the Boards wanted another joint session on April 18, 2017 to discuss the budget. He mentioned that the Boards will not be asked to make any decisions today.**

**Chief Bliss provided draft budgets to the Boards and reviewed the history and forecast of our financial position. These documents can be located on the website. He explained that our revenue is derived from property taxes based on net assessed values, the fire district assistant tax (FDAT), fire contracts, and other small sources. He mentioned that Prop 117 took effect in 2016.**

**Chief Bliss explained that the Yavapai County Assessor's office is using a new program that allows for a more timely assessment of properties. The County is estimating a 1% property value increase due to utilizing this new photographic tool.**

**Chief Bliss stated that we expect Central Yavapai to have a 4% increase in net assessed value for existing property and Chino to have a 3% increase. It is anticipated that both Districts will have a 1% increase for new construction. This forecast may be low; this is based on a meeting with the Yavapai County Assessor's office.**

**Chief Tharp explained that Director Packard and he met with the Assessor's office. The assessor believes that if an agency is experiencing a 4.4 to 4.6% net assessed value increase they are doing phenomenal.**

**Chief Bliss stated that we expect increased cost for equipment, services, and wages. The projections include a 3% increase for PSPRS, and we are making a slow shift in how the capital reserve account is funded. The capital reserve account was previously used to level out the tax rate from year to year when making large purchases. When we entered the recession, we purchased all our capital items utilizing capital reserve funds. We are now shifting back to using less of the reserve funds and more of the tax collections so we do not bankrupt the reserve fund.**

**Chief Bliss explained that the projections may include some room for COLAs and workforce expansion; it depends on what actually happens with PSPRS. If PSPRS increases by 9% as they did last year, that wipes out everything else.**

**Chief Bliss mentioned some advantages we are experiencing with the formation of CAFMA:**

**-Chino Valley wages were unfrozen.**

-Central Yavapai workers' compensation rate is significantly lower than it would have been. If we were not changing workers' comp companies, our increase would have been 38%, and that would be mostly due to injuries sustained by former CYFD personnel (now CAFMA personnel) this year.

-Healthcare costs are lower due to Chino Valley.

-PSPRS 4% savings

-Central Yavapai is collecting approximately \$400,000 less.

If we were not joined as CAFMA, Chino Valley would continue to be at the cap with \$3.25 tax rate, and Central Yavapai would be collecting \$400,000 more from tax payers.

Chief Bliss covered the detailed draft budget, and stated they were updated from last week's version. He explained that the Chino and Central Yavapai budget sheets are very small as they transfer funds to CAFMA and then CAFMA is responsible for allocating the funds. The red text indicates changes from last year except for the utility bills. These costs were moved to a single line item instead of each facility being listed separately.

Chief Bliss stated that the net assessed value increased by 6.2336% (both districts combined). The expenses increased \$975,738 due to PSPRS's 29.37% increase or \$750,000. The PSPRS rate increased about 9%. The actuarial that PSPRS provided only estimated the increase at about 2-3%; no one expected a 29% increase. There is a new legacy cost that no one knew about; that amounted to about \$50,000. There is a new cost associated with a group of employees hired after 2012 and before 7/2017. None of this was in the proposition that was passed. This was in the administration interpretation of the law and was not shared with organizations.

Chief Bliss mentioned that the workers' compensation increase was minimal due to CAFMA, and health care costs are controlled due to a new risk pool. Due to injuries sustained, our overtime expenses were astronomical. We have never experienced this prior. We do not anticipate having funds left at the end of the fiscal year to be transferred into the capital reserve account.

Chief Tharp explained that a couple of years ago Standard & Poor's (S&P) stated that in order to retain our credit rating, we had to maintain a certain amount in reserve. We budgeted to reduce the capital account, and now we need to slowly rebuild it. We typically transfer any remaining funds into that account. There are no extra funds to transfer this year, so we are now budgeting more capital expenditures within the normal maintenance and operating (M&O) budget.

Chief Bliss mentioned that he was trying to decrease the \$500,000 rollover; however, he did not want it to happen so abruptly. He reviewed other expenditures such as the 4% increase in health care costs (\$60,000). This may be lower. Employee health costs which include annual physicals, blood work, and costs associated with meeting standards have increased; we have changed vendors to obtain improved services. An expenditure item of \$24,000 was added for fleet maintenance; there was already a revenue item. In-house printing costs increased as did utilities.

Chief Bliss provided the current tax projections and stated that the NAV is higher than we projected last year, the Central Yavapai rate is projected to come down faster. Chino Valley is still at \$3.25 and will continue as there are items we would like to improve including replacing three personnel positions. Chief Bliss explained that with CAFMA, we are still realizing about \$.10 savings.

Chief Tharp explained that the workers' compensation experience modification (EMOD) rate, which is a percentage of claims versus premiums paid, for Chino Valley is at .7 and they were at .68 the prior year, and .66 before that. Central Yavapai was at 1.13, they dropped to .98 last year, and they are projected at 1.36 for next year. He mentioned that most insurance companies start talking about cutting your service and not insuring you at 1.25. We would then be forced into the state high risk pool which is almost three times the normal rate. He explained that just the impact from this one item shows how CAFMA is benefiting the residents.

Chief Bliss explained that the staff has made some improvements in the capital reserve account and the goal is to have a stable fund of about \$8 mil. This will allow us to even out the capital purchases so that we do not affect tax rate. This account also provides for cash flow as we do not receive property tax revenue until October. Many agencies utilize warrants while they wait for the revenue; however, interest must be paid for warrants.

Chief Freitag explained that the interest could cost as much as \$300,000.

Chief Bliss provided updated Summary Revenue and Expenditure sheets including options for a 1% or 2% cost of living increase (COLA). He explained that a 1% COLA would cost \$130,000 or \$.02 increase in tax rate. Central Yavapai's rate would be \$2.5469 without a COLA, \$2.5695 with 1%, and \$2.5920 with 2%.

He mentioned that if PSPRS was not an issue, this decision would not be so difficult. PSPRS expenditures are not an option. The COLA has to be considered after PSPRS costs.

Chief Freitag mentioned that there is a Senate bill that relates to reserve pension funds that are no longer being used. Chino Valley had a reserve pension fund that was terminated about 3.5 years ago. Once everyone was paid out, there was about \$97,000 remaining. Due to current Arizona statutes, the agency cannot use these funds for anything. This new legislation will allow an agency to move these funds into PSPRS. If this passes, the funds may be used to offset the PSPRS liability.

Clerk Packard asked about the Bond repayment rate. Chief Tharp stated that he needs to contact the County to determine delinquency rate; however, he estimates \$.22. Central Yavapai's bond should be paid off in about 13 years; there will be callable bonds that could be refinanced. He mentioned that refinancing may not be an option depending on the interest rate. Chino Valley bonds have about 11 years.

Chief Tharp explained that the Board has the detailed budgets for review. He asked for the Board to provide direction at the April 18, 2017 Board meeting regarding the COLA. The tentative budget is scheduled to be approved at the May Board meeting. After that, the budget can be reduced but not increased, and then final budget is scheduled for approval at the June Board meeting.

Director Jacobs asked if the 1% or 2% COLA was just for the firefighters or if it included administration and executive staff as well. Chief Bliss confirmed the COLA is across the board.

Chief Bliss explained that the budgets presented do not include the bond rates. He mentioned that firefighter starting rate is below the 50% range, and a long-term

plan needs to be created.

Chief Freitag mentioned that wage scale has not been adjusted in 10 years other than cutting the merit increases in half and extending the scale. He suggested another joint meeting be held on April 18 for further budget discussion.

Board Member Zurcher asked when the last COLA was given. The last COLA was given in 2006.

Chief Bliss requested Board Members email their questions to him, and he will provide answers to all the questions at the April 18 meeting.

Chief Freitag mentioned that Chief Tharp has been the driving force to create the workers' compensation risk pool with 18 other agencies; this will help us hold costs down.

Chief Tharp explained that the risk pool is open to all Special Districts; it is a governmental pool similar to school districts. This pool will assist smaller organizations in obtaining coverage at reduced costs. He will be providing a presentation on this at the April Board meeting.

Clerk Wasowicz stepped out of the meeting at 3:22 p.m.

Board Member Steele asked about our EMOD. Chief Tharp explained that in a pool, costs are reduced as it is spread across all members. This pool is still in the development stage; we have received a quote from this pool with an anticipated increase of less than 1%.

Clerk Wasowicz returned to meeting at 3:23 p.m.

Board Member Jacobs asked what CYFD is doing to help identify the problems related to injuries.

Chief Freitag stated that CAFMA has a Safety Committee that reviews every injury even if it does not get reported to workers' comp. The Safety Committee makes recommendations for prevention of future injuries. He mentioned that a lot of the injuries are torn meniscus which are very difficult to avoid. The peer fitness members have just been trained in body mechanics so they can educate members in proper lifting techniques. There have also been articles distributed.

Chief Freitag explained that we assisted in the development of the new member risk pool questionnaire asking questions related to their wellness / fitness program, safety programs, peer programs, cancer prevention, etc. Organizations may not be accepted if they are not meeting certain standards. This helps to control risks.

## **5. ADJOURNMENT**

Clerk Wasowicz made a motion to adjourn Central Yavapai's meeting. Board Member Steele seconded.

Central Yavapai Board Chair Packard adjourned Central Yavapai's meeting at 3:28 p.m.

Board Member League made a motion to adjourn Chino Valley's meeting. Board



**Chino Valley Board Chair Ducote adjourned Chino Valley's meeting at 3:29 p.m.**

**CAFMA Chair Pettit adjourned CAFMA's meeting at 3:28 p.m.**

Yes: ViciLee Jacobs, Darlene Packard, Tom Steele, Julie Pettit, Jeff Wasowicz, Matt Zurcher, Todd League, Rick Mayday

Central Arizona Fire and Medical Authority      Date \_\_\_\_\_  
Board Clerk

# **SPECIAL DISTRICT WORKERS' COMPENSATION POOL, INC. (SDWCP)**

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January 2017



# **INTRODUCING THE SPECIAL DISTRICT WORKERS' COMPENSATION POOL, INC.**

- Incorporated January 2017
- Coverage effective July 2017

# **SPECIAL DISTRICT WORKERS' COMPENSATION POOL, INC.**

- Central Arizona Fire & Medical Authority
- Sedona Fire District
- Verde Valley Fire District
- Bullhead City Fire District
- Copper Canyon Fire District
- Daisy Mountain Fire District
- Golder Ranch Fire District
- Timber Mesa Fire District

\*Subject to board approval

# WHAT IS AN INSURANCE POOL?

A legal entity owned by two or more agencies that:

- allows insureds to retain their own risks
- allows insureds to collectively purchase their own insurance to meet statutory requirements

# POOLING HISTORY

- In the 1970s and 1980s, commercial insurers—in response to changing risks and declining profits—raised prices and scaled back coverage.
- During this period, risk-sharing pools emerged as a stabilizing force for the public sector.



# POOLING LANDSCAPE

- Over 500 risk-sharing pools in the United States and Canada
- Public agencies such as school districts, municipalities, and special districts
- Property, liability, workers' compensation and health coverage



# POOLING BENEFITS

- Member ownership and governance
- Control (e.g., coverage, premiums, claims administration)
- Premium stability
- Pool surplus
- Significant savings over time

# POOLING BENEFITS (CONT'D)

- Greater awareness of loss exposures
- Ability to design a rating plan to achieve the group's goals

# POOLING DRAWBACKS

- Shared risk
- Assessment potential

# SDWCP BACKGROUND

- Frustrations with current coverage options
- Desire for a better solution
- Commercial market—no solution
- Recognition of other pools' success
- Desire for control over insurance costs
- Recognition of fire districts' unique insurance needs

# POOL STRUCTURE

- A.R.S §11.952.01 (B)
- Owned by special district members
- Governed by board of directors
- Administered by Ashton Tiffany
- Regulated by ICA and ADOI
- Not subject to NCCI

# BOARD OF DIRECTORS

- Elected by pool membership
- Made up of representatives from pool membership
- Responsibilities:
  - establish budget and rates
  - hire/fire management and vendors
  - approve policies and procedures
  - approve/terminate programs
  - act as fiduciary to members

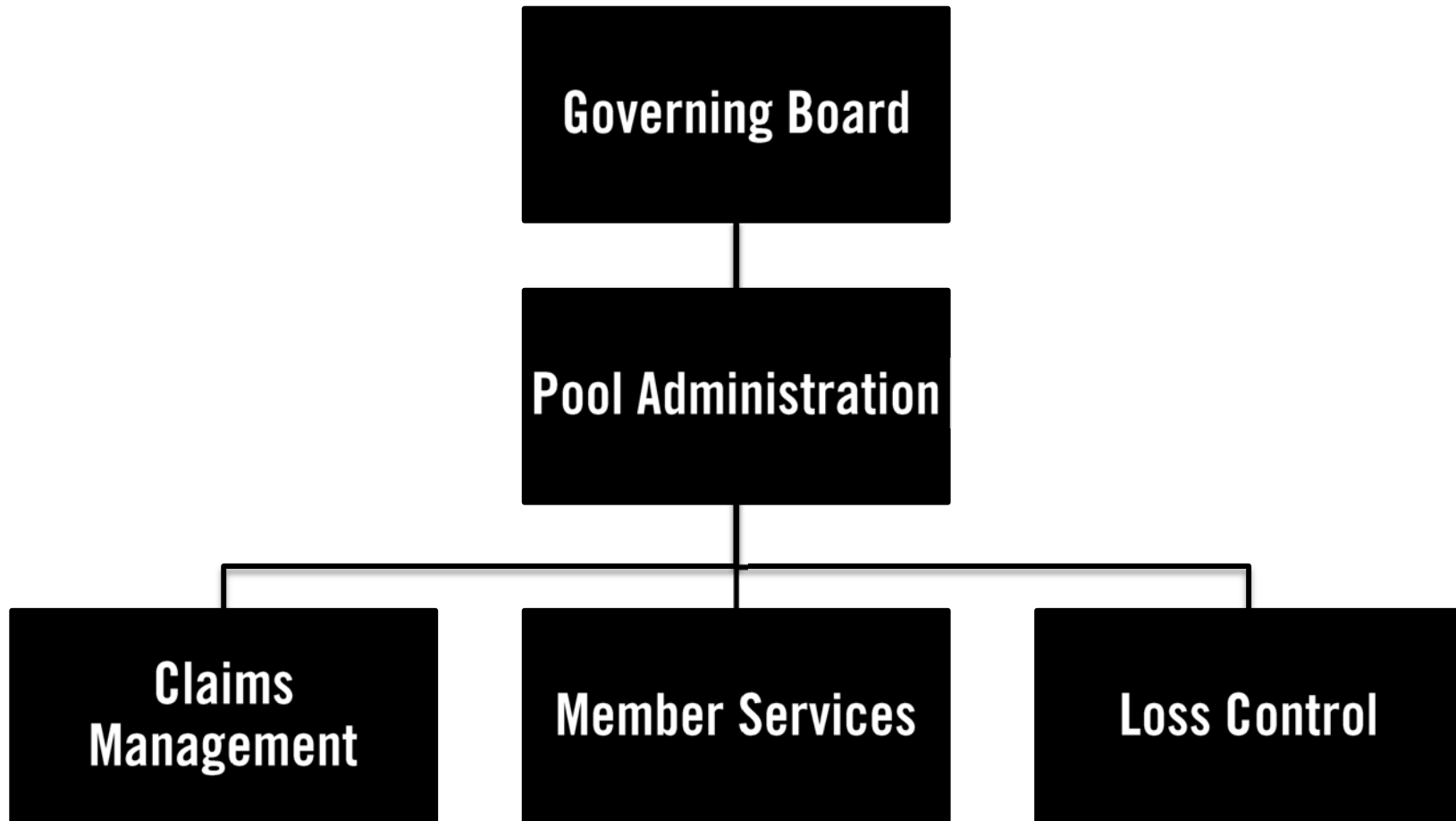


# **SDWCP BOARD OF DIRECTORS**

- Dave Tharp, President
  - Central Arizona Fire & Medical Authority
- Kris Kazian, Secretary
  - Sedona Fire District
- Lisa Elliott, Treasurer
  - Verde Valley Fire District
- Board to expand with growth



# **POOL OPERATIONS**



# **POOL ADMINISTRATION**

- Board liaison
- Finance and accounting
- Underwriting
- Vendor management
- Regulatory liaison

# CLAIMS MANAGEMENT

- Experienced, proactive, and comprehensive adjudication
- Effective utilization of experts
- Effective cost containment/savings programs
- Customized programs and support
- Nurse Triage Program

# MEMBER SERVICES

- general customer service
- renewal assistance
- certificate issuance
- education programs
- marketing and sales

# LOSS CONTROL

General safety resources, including:

- loss trend analysis and recommendations
- safety program development
- safety committee management

# **POOL ADMINISTRATOR: ASHTON TIFFANY**

Ashton Tiffany will:

- administer program for fire district members
- provide services to cover all aspects of pool operations
- leverage industry and pool knowledge to offer fire districts superior service

**ASHTON  
TIFFANY**

# ASHTON TIFFANY POOLS

- The Arizona School Alliance for Workers' Compensation, Inc. (the Alliance)
- Arizona School Risk Retention Trust, Inc. (the Trust)
- Arizona Public Employers Health Pool (APEHP)



# SUCCESS STORIES

## The Alliance (workers' comp pool)

- Formed in 1996: seven school districts, with a total contribution of \$675k
- Today: 225 members, over \$25M in contributions and \$35M in net assets

# SUCCESS STORIES (CONT'D)

The Trust (property and liability pool)

- Formed in 1986: five school districts, with a total contribution of \$320k
- Today: 250 members, over \$56M in contributions and \$95M in net assets

# SUCCESS STORIES (CONT'D)

## APEHP (health benefits pool)

- Formed in 1985: eight public entities, with a total contribution of \$2.2M
- Today: 28 members, over \$14M in contributions and \$4.4M in net assets

# CONTACT INFO

John Ashton, CPCU, ARM

333 East Osborn Road  
Phoenix, AZ 85012

john.ashton@ashtontiffany.com  
Tel 602.222.2105



# SPECIAL DISTRICT

**workers' compensation pool, inc.**

March 22, 2017

Mr. Dave Tharp  
Central Arizona Fire & Medical Authority  
Assistant Chief of Administration  
[dtharp@cazfire.org](mailto:dtharp@cazfire.org)

Dear Chief Tharp:

We appreciate the opportunity to provide you with the enclosed quote for workers' compensation coverage through the Special District Workers' Compensation Pool, Inc. (SDWCP).

SDWCP is a self-insured workers' compensation pool that was established in 2017, pursuant to Arizona Revised Statutes Section 11-952.01—a law written expressly to help governmental entities band together to manage risk.

SDWCP was founded by fire districts to provide an alternative to the traditional commercial market and offer a stabilizing force for special taxing districts. Some benefits of pooling include:

- member ownership and governance;
- control (e.g., coverage, premiums, claims administration);
- premium stability; and
- pool surplus (i.e., owned by the members vs. profit for commercial carriers).

When reviewing the attached quote, please keep in mind the following:

37. An initial three-year commitment is required to join the pool.
38. The quote is based on the most recent information submitted. (Please notify us if there have been significant changes to the payroll projection.)
39. The final quote is subject to completion of the SDWCP Application, which will be provided to you upon request.
40. The format of the attached quote may be different than what you are used to. It provides payroll information and rates and premiums, by class code, based on the information submitted. The premium includes any loss adjustments (e.g., e-mod), discounts, and fees. The premium total is the full amount owed, excluding the year-end payroll audit adjustment.<sup>1</sup>

Finally, as you may be aware, the board was considering a capitalization requirement to ensure the long-term success of the pool. The intent of the capitalization was to protect

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<sup>1</sup> As with all 11.952.01 pools, SDWCP's members are subject to assessment. Please refer to section 10 of the Participation Agreement for details, which can be provided upon request.

the pool members from a possible assessment if the pool's losses exceed contribution premiums in the first year. However, given the current budget constraints fire districts are facing, the board decided against requiring a capitalization.

In lieu of a mandatory capitalization, members have the option to participate in the rate stabilization program where funds are deposited into a pre-paid account, which would be owned by the member, and are not owned by SDWCP. Some of the fire districts who had planned on a possible capitalization are choosing instead to participate in the rate stabilization program to help fund future premiums, loss control measures, or possible assessments if required by SDWCP. Establishing a prepaid account is completely optional.

By joining SDWCP, members will enjoy:

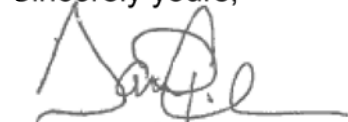
- competitive pricing;
- exceptional claims management, with dedicated claim adjusters;
- streamlined claims submission, with 24/7 access to a nurse triage line;
- customized loss control/risk management services specific to fire districts;
- timely renewals (by March 1 annually);
- outstanding service; and
- confidence in being an owner of the program.

In short, a great solution to your workers' compensation challenges.

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Thank you for allowing SDWCP to provide you with a quote for workers' compensation coverage. If you would like to proceed with becoming a member and/or have any questions or need additional information, please contact me at (602) 200-2431 or [aaron.genaro@ashontiffany.com](mailto:aaron.genaro@ashontiffany.com).

Sincerely yours,

A handwritten signature in black ink, appearing to read 'A. Genaro', with a stylized flourish at the end.

Aaron P. Genaro, ARM-P  
Account Manager

# SPECIAL DISTRICT

**workers' compensation pool, inc.**

Central Arizona Fire & Medical Authority

Coverage Acceptance Form (CAF)

Date: 03/22/2017

Contribution Terms: 7/1/2017 through 6/30/2018

Member Number: QUOTE

## Special District Workers' Compensation Pool, Inc.

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|                |                                                |                      |           |
|----------------|------------------------------------------------|----------------------|-----------|
| Exposure Unit: | \$3.38 per \$100 of 7710 payroll (\$9,987,683) | <b>Contribution:</b> | \$337,883 |
|                | \$1.21 per \$100 of 8411 payroll (\$14,389)    | <b>Contribution:</b> | \$174     |
|                | \$0.14 per \$100 of 8810 payroll (\$809,591)   | <b>Contribution:</b> | \$1,101   |

Workers' Compensation Limit: Statutory

|                            |                            |                                    |
|----------------------------|----------------------------|------------------------------------|
| Employers Liability Limit: | Bodily Injury by Accident: | \$500,000 each accident            |
|                            | Bodily Injury by Disease:  | \$500,000 each employee            |
|                            | Bodily Injury by Disease:  | \$500,000 coverage or policy limit |

Deductible: None

The Terrorism Risk Insurance Act, DTEC surcharges, adjustments, and administration fees are included. Contribution is subject to an annual payroll audit.

**Prepaid Account Contribution: TBD**

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|                                              |                  |
|----------------------------------------------|------------------|
| <b>Annual Pool Contribution Grand Total:</b> | <b>\$339,158</b> |
|----------------------------------------------|------------------|

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**SPECIAL DISTRICT WORKERS’  
COMPENSATION POOL, INC.**

**PARTICIPATION AGREEMENT**

This Participation Agreement (the “Agreement”) is entered into between the Special District Workers’ Compensation Pool, Inc., an Arizona nonprofit corporation established pursuant to A.R.S. § 11-952.01 (B), (the “**Pool**”) and \_\_\_\_\_, a special taxing district (the “**Member**”). The Pool and Member agree as follows:

1. RECITALS.

- 1.1 Authority. A.R.S. § 11-952.01, as may be amended, permits two or more public agencies including (without limitation) special taxing districts (as defined in A.R.S. § 11-951)
  - (a) to enter into contracts or agreements to establish a separate pool and to provide for the payment of workers’ compensation and employer liability claims pursuant to A.R.S. Title 23, Chapter 6, on a cooperative or contract basis with one another, and
  - (b) to jointly form a nonprofit corporation to carry out the provisions of A.R.S. § 11-952.01, as may be amended, on behalf of the public agency Members of the nonprofit corporation directly or by contract with a private party.
- 1.2 Formation of Pool. Certain special taxing districts have formed the Pool to carry out the purposes of A.R.S. § 11-952.01, as may be amended, by creating a separate workers’ compensation pool for member special taxing districts who choose to participate in the Pool.
- 1.3 Member Participation. The Member desires to enter into an agreement to join or participate in the workers’ compensation pool established by the Pool and to provide for the payment of workers’ compensation claims pursuant to A.R.S. Title 23, Chapter 6, and employer liability claims on a cooperative or contract basis with the Pool and with other special taxing districts that are members of the Pool.
- 1.4 Purpose. The purpose of this Agreement is to set forth the terms of Member’s participation in the Pool.

NOW, THEREFORE, it is agreed among the Parties to this Agreement and Pool as follows:

2. BOARD OF DIRECTORS

- 2.1 Board of Directors. The Pool shall be operated by a Board of Directors (the “Board”) consisting of at least three persons who are elected officials or employees

of a public entity special taxing district member of the Pool. The Board of Directors shall ensure that the Pool notifies the Arizona Department of Insurance of the existence of the Pool and will ensure that the necessary approval of the Pool is obtained from the Industrial Commission of Arizona.

- 2.2. Powers and Duties. The Board shall have all of the powers, duties and responsibilities as set forth in the provisions of A.R.S. § 11-952.01(H) and shall not take any actions that would be in violation of A.R.S. § 11-952.01 (J).

3. POOL ADMINISTRATION.

- 3.1 Appointment. The Pool shall designate and appoint an Administrator (the “Administrator”) to, among other things, carry out the policies of the Pool as established by the Board of Directors and provide day-to-day management of the Pool. The Board of Directors shall also delineate in written minutes of its meeting the areas of authority it delegates to the Administrator.

4. Participation and Coverage Agreement. Member will participate in the Pool on the terms of this Agreement. Member acknowledges that it is bound by the Coverage Agreement, attached as Appendix A (the “**Coverage Agreement**”), which is incorporated herein by reference and sets forth:

- (a) the workers’ compensation claims and expenses covered by the Pool;
- (b) the procedure for making claims against the Pool;
- (c) the means and procedures for defending against such claims;
- (d) the coverage provided to Members by the Pool;
- (e) the limitations and exclusions on coverage; and
- (f) various other matters necessary or appropriate to the functioning of the Pool.

The Coverage Agreement governs all matters relating to the payment by the Pool of claims made against the Member.

5. Amendment of this Agreement or the Coverage Agreement. The Board may amend this Agreement or the Coverage Agreement, and each Member agrees to be bound by the amendments if:

- (a) a majority of the members of the Board present at a duly called meeting of the Board (at which a quorum is present) vote to amend;
- (b) the Member is given written notice at least 90 days before the amendment is effective;
- (c) and the form of this Agreement or the Coverage Agreement are similarly amended at the same time for all members of the Pool.

6 Term and Termination.

6.1 Term and Renewal. This Agreement shall become effective \_\_\_\_\_, 20\_\_ (“**Agreement Effective Date**”). The initial Agreement period shall be for a three-year period (“**Initial Agreement Period**”). The anniversary date of this Agreement shall be July 1 of the year following the Initial Agreement Period , and each subsequent July 1 so long as the Member remains in the Pool (“**Anniversary Date**”). This Agreement shall automatically be renewed annually thereafter unless terminated pursuant 6.2 or Section 7 of this Agreement.

6.2 Termination.

- (a) Termination. A Member or the Pool may terminate this Agreement, after the Initial Agreement Period, upon 90 days’ written notice to the Pool. The termination will become effective on the then current Anniversary Date, unless such earlier termination effective date is agreed to by the Pool and the Member.
- (b) Distribution of Funds On Termination. If the Member terminates this Agreement for any reason, or if the Pool terminates this Agreement as a result of the Member’s breach of this Agreement, the Member will forfeit all rights to the return of any surplus, and other distributions from the Pool, and the Member shall remain liable for any and all amounts due to the Pool.
- (c) Notice to Industrial Commission. As required by A.R.S. § 11-952.01(L), as may be amended, the Pool will notify the Industrial Commission of Arizona of any suspension, termination, cancellation or expiration of this Agreement, at least 30 days before the Effective Date of the suspension, termination, cancellation or expiration.

7. Termination of the Pool.

- 7.1 Election to Terminate. Notwithstanding any other provision of this Agreement, the Board may terminate the Pool at any time (by a two-thirds vote of the members present at a duly called meeting of the Board at which a quorum is present). A termination under this Section will not be effective until the Pool has given each Member in the Pool at least ninety (90) days’ written notice.
- 7.2 Distributions or Assessment upon Termination. Upon termination of the Pool (under this Section or for any other reason), and after making adequate provision for all pending and anticipated claims as determined by the Pool’s actuary, the assets of the Pool will be liquidated, a final accounting will be made, and the funds remaining in the Pool will be distributed among the then existing Members of the Pool in accordance with an asset distribution plan as established

by the Board. If there are inadequate funds to meet all claims and expenses of the Pool, an assessment will be made, pursuant to this Agreement and A.R.S. § 11-952.01.

8. Annual Contribution. The Member will pay to the Pool a Contribution (the “**Contribution**”) which will be the Member’s required annual Contribution to the Pool. The Contribution will be computed and paid on the following basis:

- 8.1 Based on Costs. The Contribution is based on the anticipated liabilities and expenses (the “**Costs**”) of the Pool for each fiscal year, including (1) the needs of the Pool to pay its current claim and expense liabilities, (2) an allowance for claims reported but not expected to be paid in the fiscal year, (3) an allowance for claims incurred but not reported, (4) an allowance for the general administrative expenses, management fees, reinsurance costs, and overhead of the Pool, and (5) an allowance for capitalization or fund balance, if necessary as determined by the Board.

If there is any change in the costs because of any general rate increase or any legislative amendment affecting the benefits under the Workers’ Compensation Law of Arizona, then the change will be made a part of this Agreement.

- 8.2 Information. The Member will (1) furnish the Pool all available information requested by the Pool’s actuary or the Administrator, so that adequate and timely underwriting can occur, and (2) reply promptly to all other correspondence or inquiries from the Pool.
- 8.3 Contribution Payment. The Member will remit Contributions to the Pool at the beginning of each quarter of the fiscal year by paying to the Pool four quarterly installments (every three months of the plan year) of twenty-five (25) percent each of the estimated annual Contribution, or as mutually agreeable by both the Member and the Pool.
- 8.4 Payroll Information. When requested by the Pool, the Member will promptly, and no later than thirty (30) calendar days after the request, prepare a report showing, by classification, the amount of remuneration earned by its employees during the reporting period requested.
- 8.5 Untimely Submission of Information Penalty. If a Member fails to timely submit the information required in section 8.2 and 8.4 above prior to the renewal date, the Pool may charge a penalty of \$100 for each month or portion thereof that the information is not received.
- 8.6 Audit Adjustments. An audit may be made at the end of the fiscal year to determine actual remuneration for that fiscal year. The Pool will calculate a final adjustment of Contributions due to the Pool. If the Contribution calculated as a result of the audit is in excess of the Contribution collected for the fiscal year, the

Member must pay the difference to the Pool, no later than 30 days after invoice. If the Contribution calculated as a result of the audit is less than the Contribution collected for the fiscal year, the Pool, at its option, will return the difference or give an appropriate credit against future Contributions.

- 8.7 Payment of Contribution is a Condition of Coverage. Member agrees to pay to the Pool the annual contribution amount determined for the Member based upon the Pool's calculation.. The existence of any coverage provided pursuant to this Agreement is expressly conditioned upon, in addition to any other requirements under this Agreement, full and timely payment of Costs by the Member for any such coverage.
- 8.9 Prepaid Account. Members may create a restricted account within the Pool to prepay contributions ("Prepaid Account"). Members shall retain any and all rights to its Prepaid Account balance, provided the Member has no outstanding balance owed to the Pool.
9. Assessments. If the Pool is determined to be insolvent or is otherwise found to be unable to discharge its legal liabilities and other obligations, the Members of the Pool shall be assessed on a pro rata basis as calculated by the amount of each Member's annual Contribution in order to satisfy the deficiency. The amount of such assessment ("**Assessment**") may not exceed the amount of the Member's annual Contribution to the Pool for the year in which the Assessment is made or (if the Member has withdrawn from the Pool) for the last year that the Member was a Member of the Pool. The amount of each Assessment and a description of the manner of calculating the same shall be provided to the Member in writing (the "**Assessment Notice**"), and the Member shall pay such Assessment pursuant to the terms and conditions of the Assessment Notice. The Member shall remain liable for Assessments for liabilities of the Pool incurred during the Member's period of membership in the Pool, notwithstanding the Member's withdrawal from participation in the Pool or the termination of this Agreement.
10. Suspension. If:
- (a) the Member fails to pay its Contribution, fails to pay an Assessment, fails to pay any penalty owed, or fails to comply with any other terms of this Agreement, and
  - (b) the Member's failure is not cured within 30 days after written notice of default,
- then the Board may suspend the Member's coverage under the Coverage Agreement. The suspension may be made permanent 90 days after the date of the notice of default and suspension. During the suspension period, the Board will either
- (1) decide that the suspension will be made permanent, in which case the notice of default and suspension will be deemed a notice of termination and this Agreement will be deemed terminated 90 days after the date of notice of suspension, or
  - (2) decide the conditions, if any, under which the Member's participation in the Pool

and coverage under the Coverage Agreement may be restored.

If the Member is permanently suspended, and this Agreement is terminated, the Member will be relieved of liability for Contributions for fiscal years after the fiscal year of the termination. The Member's liability for Assessments will continue to the extent provided elsewhere in this Agreement.

11. Inspection and Audit. If the Pool requests, the Member must permit the Administrator, or any other designee of the Pool to complete the following actions.
  - 11.1 Inspection. The Pool, at its option, may inspect the Member's properties and operations upon timely notice and during regular business hours. Neither the right to make inspections nor the making of an inspection will constitute a determination or warranty that the properties and operations are safe or are in compliance with any law or rule.
  - 11.2 Audit. The Pool may examine and audit the Member's financial and administrative records that relate to the subject matter of this Agreement. An examination may be made at any time during the term of this Agreement or within five years after the termination of this Agreement.
12. Audit of the Pool. The Pool, at its expense, will arrange annually for an audit of its operations by a certified public accountant. A copy of the report will be submitted to the Board, the Member, the Arizona Department of Insurance, the Arizona Industrial Commission and any other government agency to which a copy must be submitted in accordance with law. The Board will obtain an appropriate actuarial evaluation of the Pool, including an estimate of incurred but not reported claims. The Pool will also pay the cost of any examination of the Pool by the Director of the Arizona Department of Insurance as permitted by A.R.S. § 11-952.01 (M), as may be amended.
13. Loss Control. The Member will implement a program of loss control in substantial conformance with the Loss Control Program Standards for Members as established (and amended from time to time) by the Pool (the "**Loss Control Standards**"). The Member acknowledges, understands and agrees that (a) the Loss Control Standards are only recommendations of minimum standards that should be adopted by each member of the Pool, (b) the Pool makes no representation or warranty that the Loss Control Standards are sufficient or adequate for the Member, and (c) the Member must tailor its loss control program to the meet Member's specific requirements.
14. Claims.
  - 14.1 Claims Submitted. Member shall submit claims to the Pools as set forth in each applicable Coverage Agreement or as otherwise required by the Pool or State law.
  - 14.2 Member to Cooperate. If the Pool needs assistance from Member or Member's employees regarding a claim, Member will cooperate with the Pool and will provide such assistance.

15. Subrogation. If a recovery is obtained against a third party pursuant to the right of subrogation set forth in the Coverage Agreement, such recovery will be paid (a) first to reimburse the Pool for costs of recovery and (b) the balance, if any, to the Pool and the Member in proportion to their respective losses from the occurrence giving rise to the recovery.
16. Conformity with Law. If any term of this Agreement is in conflict with the laws of Arizona (as they now exist or are later amended) this Agreement will be amended automatically to conform to such laws.
17. Authorized Representative. The Pool and the Member will each designate a representative authorized to act on their behalf in all matters pertaining to this Agreement. The initial representative of each is designated on the signature page of this Agreement. Either party may change its representative, or their address, by written notice to the other.
18. Authorizing Action. This Agreement will become effective only upon: (a) the execution of this Agreement by an authorized officer of the Pool, (b) the execution of this Agreement by an authorized representative of the Member, and (c) the delivery to the Pool of a fully executed Agreement and a certified copy of a resolution adopted by the governing board of the Member approving the execution of this Agreement.
19. Claim Reserves. The Pool will maintain claim reserves at least equal to known incurred losses and an estimate of incurred but not reported claims consistent with the recommendation of the Pool's actuary.
20. Liability.
  - 20.1 Limited Liability of the Pool, the Board, and the Administrator. The Pool, the Board, and the Administrator have (a) no obligation to pay or defend claims except from the funds in the Pool and (b) no liability under this Agreement except to disburse funds in the Pool in accordance with the terms of this Agreement and the Coverage Agreement. If, after collecting all Contributions and Assessments from the members in the Pool, there are insufficient funds in the Pool to pay the expenses and to discharge the obligations of the Pool, then neither the Pool, nor the Board, nor the Administrator have any further obligation to defend or pay claims.
  - 20.2 No Liability of Other Members; Liability of Pool. No Member in the Pool has any liability for claims brought by third parties against any other Member in the Pool, other than the obligation to contribute Contributions and Assessments to the Pool as expressly required by this Agreement. The liability for any claim against the Member will remain the sole and exclusive liability of the Member. The obligation of the Pool is to reimburse the Member for liability (a) within the limits of the Coverage Agreement and (b) to the extent there are funds in the Pool.
  - 20.3 Member Liability. The Member is not relieved of its liability incurred during the Member's period of membership or participation in the Pool except through the



payment of losses by the Pool (to the extent required by the Coverage Agreement) or by the Member. The obligations under this subsection will be no greater than that required by A.R.S. § 11-952.01(K)(4), as may be amended.

21. Invalidity of a Term. If any term, covenant or condition of this Agreement is invalid or void, the invalidity will not affect any other term, covenant, or condition of this Agreement.
22. Prohibition Against Discrimination. If it applies, the parties will comply with the Arizona Governor's Executive Order No. 75-5, entitled "Prohibition of Discrimination in State Contracts - Non-Discrimination in Employment by Government Contractors and Subcontractors," and any subsequent similar Executive Order.
23. Governing Law and Venue. This Agreement will be construed under the laws of the State of Arizona. Any action arising out of this Agreement must be brought in Maricopa County.
24. Counterparts. This Agreement may be executed in any number of counterparts. All counterparts will be deemed to constitute one and the same instrument, and each counterpart will be deemed an original.
25. Conflict of Interest and Israel Boycott. The parties acknowledge that this Agreement is subject to cancellation pursuant to A.R.S. § 38-511, the provisions of which are incorporated herein. The Parties agree that they are not currently engaged in, and agree that for the duration of the Agreement they will not engage in, a boycott of Israel, as that term is defined in A.R.S. §35- 393.
26. Act of Forbearance. No act of forbearance on the part of either party to enforce any provisions of this Agreement shall be construed as a modification of this Agreement nor shall the failure of any party to exercise any right or privilege herein granted be considered a waiver of such right or privilege.
27. Appendices. The Appendices are attached to this Agreement and incorporated by this reference. The Appendices include Appendix A, Coverage Agreement, Appendix B, Articles of Incorporation, Appendix C, Bylaws, and Appendix D, Coverage Acceptance Form.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**Authorized Representative for the Pool:**

Jennifer Darnall  
Name  
Director of Operations  
Title  
333 E. Osborn Road, Suite 300  
Address  
Phoenix Arizona 85012  
City State Zip Code  
Telephone: (602) 222-2103

**Authorized Representative for the Member:**

Name  
  
Title  
  
Address  
  
City State Zip Code  
Telephone: \_\_\_\_\_

TO: Fire Board  
FROM: Chief Freitag  
DATE: April 10, 2017

SUBJECT: DISCUSSION AND POSSIBLE ACTION REGARDING FISCAL YEAR  
2017-2018 BUDGET

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*The budget included in the Board packet for the April 18, 2017 Board meeting has changes made since the April 4<sup>th</sup> study session. Changes include updates to some of the personnel costs and the addition of a 2% COLA. The end result of the updated information is a tax rate lower than the number presented for the 2% COLA at the study session. These documents include the COLA due to interest from Board members.*

*For a rough estimate on updated tax rates for a 1% COLA subtract 2 cents; for no COLA subtract 4 cents.*

*If you have any questions, please call Planning and Logistics Assistant Chief Bliss or myself at 772-7711.*

