

MINUTES

Central Arizona Fire and Medical Authority
Central Yavapai Fire District Board of Directors
CY Regular Meeting
Monday, March 26, 2018, 6:00 pm - 7:00 pm
Central Arizona Fire and Medical Authority,
Administration, 8603 E. Eastridge Drive, Prescott Valley

In Attendance

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

Not In Attendance

Laura Mowrer

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 **Monday, March 26, 2018 at 6:00 p.m.** The meeting will be held at **Central Arizona Fire and Medical Authority, Administration, 8603 E. Eastridge Drive, 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 Board meeting to order on Monday, March 26, 2018 at 6:10 p.m.
Staff member Kylee Burch attended in Laura Mowrer's absence.

2. PLEDGE OF ALLEGIANCE

Battalion Chief Brad Davis led the Pledge of Allegiance.

3. PRESENTATIONS

A. Budget Update and Schedule Budget Workshop for Second Week of April

Chief Bliss explained that the NAV increased in both Districts, with approximately 2% due to new construction. He reviewed some of the increased costs, which include PSPRS, election costs, new software, unemployment, ASRS, and an increase in capital asset contributions as we are trying to get away from spending our savings. He stated that the tax rate projections are lower now because of the agencies combining, and pointed out the line indicating the projections presented to the CYFD Board in 2013.

The Board was in agreement with the other Boards in holding the budget workshop on April 9th at 10:00 a.m.

4. CALL TO THE PUBLIC

A.R.S. §38-431.01(H) states: A public body may make an open call to the public during a public meeting, subject to reasonable time, place and manner restrictions, to allow individuals to address the public body on any issue within the jurisdiction of the public body. At the conclusion of an open call to the public, individual members of the public body may respond to criticism made by those who have addressed the public body, may ask staff to review a matter or may ask that a matter be put on a future agenda. However, members of the public body shall not discuss or take legal action on

matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action.

In accordance with A.R.S. §38-431.01(H) and as a matter of policy, the Central Yavapai Fire District Board has decided to allow public comments as time permits. Therefore, those wishing to address the Board regarding an issue within the jurisdiction of this public body may do so in an orderly manner that includes completing a Call to the Public Form and submitting it to staff for the record. If a written statement is being read, please provide a copy to ensure it is entered into the record accurately. Individuals will be limited to speak for three (3) minutes and Call to the Public shall not exceed 30 minutes per meeting.

Chair Packard opened the meeting for public comments.

Mr. Larry Jacobs introduced himself as a 20-year resident of the Central Yavapai Fire District. Mr. Jacobs began by stating he submitted a request to speak on 2/26/18 to alert the Board of a second forged check, to which Chair Packard advised Mr. Jacobs he was out of order and the Board would not be hearing this subject. Mr. Jacobs argued that he was not out of order, and there was further heated discussion between Mr. Jacobs and Chair Packard. Attorney Cornelius advised Mr. Jacobs he would be happy to review any documents he had; Mr. Jacobs provided copies of documents to the Board, and stated that Mr. Cornelius had made some mistakes and was giving the Board bad legal advice. Chair Packard asked Mr. Jacobs to be seated after he passed out the documents.

Mr. Chris Kuknyo made a comment about the police presence and stated they should be out on the streets. He stated that we need independent legal counsel to represent the CYFD; Chair Packard called him out of order. He argued that he was not out of order due to the item being on the agenda later in the meeting. Director Jacobs injected that Chair Packard was violating their first amendment rights by not allowing citizens to speak. Chair Packard reminded Mr. Kuknyo that he had raised these concerns previously; Mr. Kuknyo stated he had something new. He said that Attorney Cornelius runs our meetings. He then asked how much the lawsuits are costing us with Ace, said that only attorneys win with lawsuits, and stated we should be talking with them and solve the matter in a "Prescott Valley kind of way". He then stated that banners mean something and commented on Attorney Cornelius' bow tie; he then referenced a pirate and pirates pillaging cities and towns.

5. 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. Any item may be removed by a Board member and will be considered separately for motion, discussion and action.

- A. Approve Regular Session Minutes - February 26, 2018
- B. Approve Emergency Executive Session Minutes - February 26, 2018
- C. Approve Executive Session Minutes - February 26, 2018
- D. Approve General Fund Financial Statements
- E. Approve Bond Debt Service Financial Statements
- F. Transfer February Revenues from Central Yavapai Fire District to Central Arizona Fire and Medical Authority in the Amount of \$362,744.71

Director Jacobs requested items A and F be pulled for discussion. It was also determined that item B could not be on the consent agenda as not all members were present for that executive session.

Motion to approve items C, D, and E.

Move: Tom Steele Second: Matt Zurcher Status: Passed

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

Motion to approve item A.

Move: Jeff Wasowicz Second: Matt Zurcher Status: Motion rescinded.

Discussion - Item A: Director Jacobs stated she wants staff to go back and add the 15 minutes of Mr. Cornelius' comments, as it shows the behavior of this counsel. She stated a lot of things were left out and all of his comments were not completely captured in the minutes. Chief Freitag asked if she was asking for a transcript; Director Jacobs stated that as a Director, she is requesting staff to be very specific on that matter. She stated she is willing to review the recording with staff and submit her suggestions for changes. Director Steele agreed the recording should be reviewed and staff given direction regarding the contents.

Motion to table item A until next month.

**Move: Jeff Wasowicz Second: Matt Zurcher Status: Passed
Yes: Jeff Wasowicz, Matt Zurcher, Tom Steele, ViciLee Jacobs
No: Darlene Packard**

**Motion to approve transfer of February revenues in the amount of \$362,744.71.
Move Matt Zurcher Second: Jeff Wasowicz Status: Passed**

Discussion - Item F: Director Steele stated that it is his position as a board member of the CYFD who is denied the opportunity to approve the items that are being spent since the creation of CAFMA, that he is exercising his right to vote NO. Director Jacobs stated she also would not approve the transfer because they're not being properly represented as a whole.

**Yes: Darlene Packard, Jeff Wasowicz, Matt Zurcher
No: Tom Steele, ViciLee Jacobs**

Motion to approve item B.

Move: Jeff Wasowicz Second: Matt Zurcher Status: Passed

Discussion - Item B: Attorney Cornelius advised that Director Steele was not present and Director Jacobs left the meeting early, therefore they cannot vote on this item.

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

6. 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**

Attorney Cornelius advised that Executive Session was not needed.

7. OLD BUSINESS

- A. Motion, Discussion, and Action Related to Training Center Drainage Issues**

Attorney Cornelius informed the Board that settlement negotiations are continuing. We've been notified that Fain Signature and Superior Southwest have both had an opportunity to review the proposed settlement and both have agreed to the terms. All of that has been disclosed to opposing counsel; we are awaiting their response.

Director Jacobs asked about updated tallies from Chief Tharp; Attorney Cornelius indicated those have been provided as required.

- B. Motion, Discussion, and Action Regarding Possible Adoption of a Resolution 2018-01 Granting**

Preliminary Approval to Negotiate the Placement of General Obligation Refunding Bonds of the District Pursuant to a Placement Agent Agreement and Approving the Form and Authorizing the Execution and Delivery of Such Placement Agent Agreement

Chief Tharp introduced Paul Gale from Greenburg-Traug; he is part of the placement team. He reminded the Board that the CYFD has approximately \$3.745 million in outstanding bonds that are callable; they are eligible to be refinanced. The current interest rate is about 4%; we are looking for a lower rate, which will save around \$277,000.

Mr. Gale explained that this is a preliminary resolution approving a placement agent agreement; this is a method of selling the bonds. They will go out and solicit bids, analyze them, then come back to the board with the bids for approval if the terms are satisfactory to the Board.

Director Steele asked if there was any cost to the Board if they decide not to move forward with any of the bids. Mr. Gale explained that there is no cost to the District unless the financing is processed; everyone is working on contingency on this transaction.

Director Steele asked if we would be receiving bids from companies that would offer the new bonds at specific rates, stating there's a big difference between 4% and 4.5%. Mr. Gale stated the placement agent will prepare an RFP and submit it to commercial banks; those banks will submit term sheets in response that will include specific rates. The placement agent will run the numbers with those interest rates, compare them to the current debt service, and provide that information to the Board for your review. In the event there are no savings, obviously the financing will not go forward.

Director Steele asked if the bidders would hold the price for an adequate amount of time so the Board has time to review the information. Mr. Gale explained that they will try to have a rate lock sufficient so that everyone can review the numbers; then it will be a matter of preparing closing documents, getting signatures and closing financing a few weeks after Board approval. Chief Tharp advised Director Steele that the packet they received includes a timeline; if the resolution is approved tonight, they will send out the RFP and banks will respond. Our hope is that by our next Board meeting we will have some responses and a summary for you to review. We can't wait 45-60 days to close; the Fed is increasing interest rates, so we don't want to wait too long. If it doesn't make financial sense, we don't move forward and we aren't out anything.

Director Jacobs asked if they would have information with enough time to review before the next Board meeting; Chief Tharp indicated that is our intention.

Motion to adopt Resolution 2018-01 granting preliminary approval to negotiate the placement of general obligation refunding bonds.

Move: Matt Zurcher Second: Tom Steele Status: Passed

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

8. NEW BUSINESS

- A. Motion, Discussion, and Action Regarding Modifying CYFD Board Policy Manual Related to Placing Items on the Agenda

Director Jacobs thanked the Board Chair for the courtesy of putting this item on the agenda. She then asked that the item be tabled until next month to give board members additional time to consider the rules already in place.

Motion to table item until next meeting.

Move: ViciLee Jacobs Second: Tom Steele Status: Passed

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

- B. Motion, Discussion, and Action Regarding Termination of Contract with Legal Counsel Nicolas Cornelius

Motion to go into Executive Session on this item.

Move: Matt Zurcher Second: Jeff Wasowicz Status: Passed

Director Zurcher asked to go into executive session on this item; Attorney Cornelius is technically a contracted employee and personnel matters should be discussed in Executive Session.

Director Jacobs objected to moving to Executive Session; she stated the Attorney should publicly explain whether there is a potential or an actual conflict of interest to all of us, rather than in Executive.

Attorney Cornelius confirmed it is a personnel matter which would qualify it for Executive Session; however, he explained he wasn't inclined to move it to Executive Session on that basis. He suggested it should move to Executive Session as it implies legal advice -- both previously given and that may be given with regard to this issue.

Director Steele stated that Attorney Cornelius operates at the pleasure of the Board, he is not an employee of the Fire District. He stated this is not an issue like Ace or an employee matter, this is a matter of how can a person serve three masters.

Director Wasowicz stated he believes the termination of any contract would go to Executive Session first, then be heard and decided on in public session.

Director Jacobs further objected, stating Attorney Cornelius already has several conflicts of interest.

Director Zurcher clarified he wants to go into Executive Session because he has questions that need to be asked in Executive Session.

Attorney Cornelius stated he does not intend to give legal advice regarding the alleged conflicts. He noted that these alleged conflicts were generated by Mr. Jensen, who does not represent this board or the public, he specifically represents two directors; he is their advocate, he is advocating their position. Attorney Cornelius doesn't believe there are any conclusions that those conflicts actually exist.

Yes: Darlene Packard, Jeff Wasowicz, Matt Zurcher

No: Tom Steele, ViciLee Jacobs

Meeting adjourned to Executive Session at 6:55 p.m.

Regular Session reconvened at 7:31 p.m.

Motion to terminate contract of Nicolas Cornelius so that we can end the ongoing conflict of interest and the controversy that comes with it, and to start to receive the independent and unconflicted advice of a new attorney.

Move: ViciLee Jacobs Second: Tom Steele Status: Failed

Yes: ViciLee Jacobs, Tom Steele

No: Darlene Packard, Jeff Wasowicz, Matt Zurcher

9. ADJOURNMENT

Motion to adjourn at 7:32 p.m.

Move: Matt Zurcher Second: Jeff Wasowicz Status: Passed

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

Clerk / Date

Signature indicating approval on next page.

**Signature Page For: 2018 03 26 Central Yavapai Regular Minutes-Approved.pdf - Central Yavapai
Fire District Board of Directors - CY Regular Meeting - 4/23/2018**



Jeff Wasowicz , Board Clerk 04/24/2018