

MINUTES

**Central Arizona Fire and Medical Authority
Central Yavapai / Chino Valley / Central Arizona Fire and Medical
Work Study Session
Monday, February 24, 2020, 4:00 pm - 5:00 pm
Chino Valley Town Hall, 202 N. State Route 89, Chino Valley**

In Attendance

Cynthia Gentle; Dane Beck; Darlene Packard; Dave Dobbs; Dave Tharp; Jeff Wasowicz; Julie Pettit; Kathy Goodman; Matt Zurcher; Scott A Freitag; Susanne Dixson

Not In Attendance

Cyndy Dicus; Nicolas Cornelius; Rick Mayday; Todd League

NOTICE OF MEETING

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Chino Valley Fire District, Central Yavapai Fire District, 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 **Monday, February 24, 2020 at 4:00 p.m.** The meeting will be held at **Chino Valley Town Hall, 202 N. State Route 89, Chino Valley, Arizona.** The Board(s) 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 Agencies' 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 - CHINO VALLEY FIRE DISTRICT
Clerk Dobbs called the Chino Valley Fire District (CVFD) Board to order at 4:02 p.m. There was not a quorum present.
2. CALL TO ORDER / ROLL CALL OF BOARD MEMBERS - CENTRAL YAVAPAI FIRE DISTRICT
Chair Zurcher called the Central Yavapai Fire District (CYFD) Board to order at 4:03 p.m. There was a Board quorum present.
3. CALL TO ORDER / ROLL CALL OF BOARD MEMBERS - CENTRAL ARIZONA FIRE AND MEDICAL AUTHORITY
Chair Pettit called the Central Arizona Fire and Medical Authority (CAFMA) Board to order at 4:03 p.m. There was a Board quorum present.
4. PLEDGE OF ALLEGIANCE
Chair Pettit led the Pledge of Allegiance.
5. NEW BUSINESS
 - A. Discussion and Direction to Staff Regarding Public Safety Personnel Retirement System

(PSPRS) Unfunded Liability for FY 20-21

Chief Tharp delivered a Public Safety Personnel Retirement System (PSPRS) Unfunded Liability presentation which included informational disclosures, a review of the Foster & Foster Actuarial Report for Fiscal Year 2019, a review of the current funding plan, and three possible funding plans. He noted that the current Board can affect the upcoming Fiscal Year 2020-2021 budget, but cannot obligate future Boards. He stated that future Boards will require education in PSPRS.

Chief Freitag expanded upon the lack of feasibility of the \$8.5 million one-time payment potential plan.

Chair Pettit stated that going into debt to pay off a debt to an uncertain creditor makes no sense.

There was an inquiry as to whether the \$8.5 million figure is the correct amount, or could it contain a lower amount of \$1 million or two million dollars in a combination of plans #2 and #3, to achieve the same goal. Chief Tharp stated that there are many combinations that the agency can consider, but a plan to replenish the Capital Reserve account will need to be taken into account.

Chief Tharp indicated that IRS 115 Trusts may be initiated for all Arizona agencies as it is currently going through legislation. This would allow the agency to control where the monies are invested rather than hoping for the 7.3% PSPRS forecasts.

There was a query as to whether the Board could be provided with plans that include lower amounts, including \$275,000.00 and \$300,000.00. Chief Tharp responded that the actuarial software could run those numbers, and that is the reason it was purchased.

There was an inquiry as to where money for these PSPRS funding plans will come from. Chief Bliss reported that increases in payments have been included in projections over the next five years. He stated that \$500,000.00 is tough, but \$250,000 has already been included for the next four years. He noted that he is still working on projections, because the agency cannot be sure what PSPRS will do in the coming years.

Chair Pettit stated that dipping into the Capital Reserve has the potential to harm the agency and Board in the future, and that is not acceptable.

Chief Bliss recommended moving forward with the \$250,000.00 Escalating Plan.

Chair Zurcher requested that the Board be shown an escalating plan with \$300,000.00.

Director Wasowicz would like to view the impact on the CYFD tax rate. Chief Bliss responded that he is focused on the tax rate.

The presentation is included at the end of these minutes.

B. Presentation and Discussion Regarding 40-Hour Engine Concept

Chief Polacek presented the 40-Hour Engine Concept, which includes hiring four personnel so that the agency is able to staff an additional Engine 40 hours per week during peak utilization in Battalion 3, Prescott Valley. The goal is to improve the steadily decreasing Reliability Rating due to increased call volume, as well as cover stations during training. He reported that this concept is less expensive than hiring 12 to staff a new station; also, running one academy instead of two is more cost-effective as each academy costs approximately \$20,000.00. He stated that running two academies is burdensome on agency personnel. He reported that there would be a \$0.6 increase to the Central Yavapai Fire District tax rate.

There was an inquiry by Chair Zurcher as to whether or not this is a stop-gap until a new station is built.

Chief Freitag responded that it is not a stop-gap as a new station would not be built in such a place as to increase the Reliability Rating where it is most needed, in the heart of Prescott Valley.

Chief Polacek stated that this idea is driven by data.

There was an inquiry by Director Gentle as to whether the agency would need to purchase an engine. Chief Polacek responded that CAFMA already has a surplus engine available, and that this 40-hour engine will be run out of the Central Arizona Regional Training Academy (CARTA).

Chief Freitag stated that this is a resource specifically for CYFD and its citizens. He noted that the agency has hired five new personnel, but the testing process supplied four other qualified people, and he would like to have an agreement in principle to hire the additional four personnel immediately.

There was an inquiry by Director Beck as to when the 40-hour engine would need to go into effect to meet reliability standards. Chief Freitag replied that the plan is to put the 40-hour engine in place by in July 1st, 2020. He stated that the new academy class would graduate in May. He continued by saying that the agency currently has employees with injuries out for light duty, which means that their positions are being back-filled with overtime, and the agency would like to offset those costs as well.

There was a query by Director Beck that if the agency is looking at a budget of \$450,000.00 annually to run the 40-hour engine, and if the new hires come on board in July versus December, then that is an extra \$200,000.00 to that budget, which is large in comparison to the \$20,000.00 to run another academy.

Chief Polacek responded that the agency has already seen the Reliability Rating decrease in 2019 to below 70%, that call volume continues to increase, and the Board should consider the low Reliability Rating.

Chief Freitag noted that the agency has already seen further increased call

volume in 2020.

There was an inquiry by Director Beck about alternative response units. Chief Polacek stated that the advantage of the 40-hour engine is that it runs the same calls as a station crew, whereas alternative response units would only handle low acuity calls. He stated that CAFMA has 260 square miles and that alternative units would not be as cost-effective as a 40-hour engine.

Chief Freitag expressed that the data points to the 40-hour engine being the best option right now, but in the event that more people move to the area, an alternative response unit may be appropriate.

Director Wasowicz stated that he would like to see what this will do the tax rate.

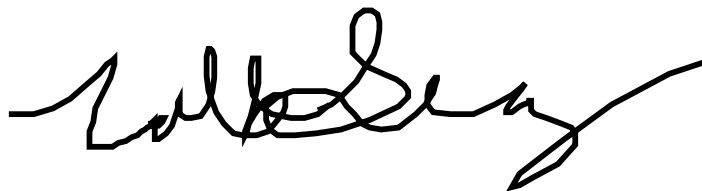
See presentation included at the end of the minutes.

6. ADJOURNMENT

Meeting adjourned at 5:12 p.m.

Disabled persons needing reasonable accommodations should call 928-772-7711 prior to the scheduled meeting.

Signature Page For: 2020 02 24 Joint PSPRS Work Study Session Minutes - Approved - Chino Valley Fire District Board of Directors - CV Regular Meeting - 3/23/2020

A handwritten signature in black ink, appearing to read "Todd League", written over a horizontal line.

Todd League , Board Member 03/24/2020