

MINUTES

**Central Arizona Fire and Medical Authority
Central Arizona Fire and Medical Authority Board of Directors
Regular Meeting
Monday, March 22, 2021, 5:00 pm - 6:00 pm
Central Arizona Fire and Medical Authority, Administration, 8603 E. Eastridge Drive,
Prescott Valley**

In-Person Attendance

Darlene Packard; Dave Tharp; Kathy Goodman; Matt Zurcher; Rick Anderson;
Scott A Freitag; Susanne Dixon

Remote Attendance

Dave Dobbs; Nicolas Cornelius; Owen Mills

NOTICE OF MEETING

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Central Arizona Fire and Medical Authority Board of Directors and the general public that the **Central Arizona Fire and Medical Authority** will hold a meeting open to the public on **Monday, March 22, 2021 at 5:00 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 Authority'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. Members may attend in person or via remote methods of communication.

1. CALL TO ORDER / ROLL CALL OF BOARD MEMBERS

Chair Zurcher called the meeting to order at 5:01 p.m.

2. PLEDGE OF ALLEGIANCE

Chair Zurcher led the Pledge of Allegiance.

3. CORRESPONDENCE AND PRESENTATIONS

A. County and Town Current Events Summaries

Chair Zurcher welcomed all and provided an explanation of this new agenda item.

Supervisor James Gregory, of District 2, introduced himself and gave a brief history of his great working relationship with CAFMA.

Supervisor Mary Mallory, of District 5, introduced herself, gave a brief description of her time with the Board of Supervisors, and thanked CAFMA for supporting the 9/11 memorial for the past 10 years.

Clerk Packard inquired as to the paving of Old Black Canyon to the Country

Club. Supervisor Gregory responded that the conversation is currently centered on paving Old Black Canyon from Stoneridge up toward Prescott, as well as adding a better base to Old Black Canyon out to the Country Club. Clerk Packard added that during fire season there is no way out.

Jack Miller, Town of Chino Valley Mayor, reported that the Town is doing well. A new police station is being built behind Town Hall, and the Chamber of Commerce is relocating across from Town Hall.

Town Manager for Chino Valley, Cindy Blackmore, gave a brief history of her move to Chino Valley and her time as Town Manager. She reported on the growth of the town, and a new tourism campaign that is about to begin.

Town of Dewey-Humboldt Vice-Mayor, Karen Brooks, reported that the new Subway is open and construction is about to begin on the Hill Street project. An interim Town Manager has been hired, and the Town is under contract negotiations with a permanent Town Manager.

John Hughes, Town of Dewey-Humboldt Mayor, reported that he will have an update on the Town Hall in a few weeks and specifically thanked CAFMA for recent work on a one-acre fire in upper Blue Hills.

Town of Prescott Valley Councilperson Roger Kinsinger introduced himself and reported that Popeye's Chicken is being built on Highway 69, Alliance Hardware's opening date is to be determined, Discount Tire is going in on Highway 69, and Church's Chicken and retail shops will be going in on Navajo Drive. The quarterly permit numbers are as follows: 11 mobile home, 24 multi-family, 182 single-family, and four new commercial. He added that Aspire Sports is searching for a property to suit their needs. He thanked CAFMA for the services the Agency provides, and specifically mentioned CAFMA's work during the Viewpoint fire a few years ago.

- B. Analysis of Fiscal Year Ending June 30, 2020 Audit and Review of Equity of the Central Arizona Fire and Medical Authority

Chief Tharp presented an analysis of the audit and the fiscal health of the agencies. There were no questions from the Board. See attached review.

- C. 2020 Alarm Summary

Chief Rose presented the 2020 Alarm Summary.

Clerk Packard inquired as to whether the 40-Hour Engine (540) has been beneficial in its first year. Chief Feddema responded that the original goals for the 40-Hour Engine included covering training, increased capacity in the Prescott Valley area, and improved reliability. Once COVID-19 hit, training stopped for most of the year, and that movement towards that goal stopped. There has been a fourth quarter uptick in training, which has resulted in further utilization of the engine. They are active, running calls, and when needed they adjust their hours. Staff is working on tracking how 540 is impacting a station's reliability and also on how to influence that reliability.

Clerk Packard added that she had the honor of riding with 540 a few months ago and they were excellent.

D. Letters from the Public and Board Recognition

4. REPORTS

Reports are informational only. Any item articulated in the reports is subject to clarification, discussion, and direction by the Board; no action will be taken.

A. Board Member Reports

Chair Zurcher thanked Tech Services Manager Van Tuyl for helping with recent email issues.

B. Division Reports

Chief Freitag reported that CAFMA is working with the City of Prescott and Prescott Fire Department on the memorial for Firefighter/EMT Tye Seets, and will continue to offer peer support services to the CAFMA crew that ran the call.

Senate Bill 1298, the Pension Liability/Certificates of Participation (COP) bill, is up for a Rules hearing and, if passed, is ready to go to the Governor for signature. Chief Freitag articulated that interest rates are low, so he is hoping that it passes with enough votes to activate the emergency clause within. There is a meeting set with Stifel this week regarding whether or not COPs make sense for CAFMA.

He continued, reporting that Fire Districts have been left out of COVID-19 relief funding at the federal level. Legislators have recommended that Fire Districts seek out local funding from their states and counties. CAFMA has spent around \$300,000.00 on COVID-related expenses and have received zero federal dollars.

He attended a wildland fire briefing with the Governor and reported that the wildland season is expected to be severe. He encouraged everyone to commit to fire safety as 82% of wildfires were human-caused last year. He also announced that the Certificate of Necessity (CON) consultant will attend the April Board meeting to provide an update.

5. CALL TO THE PUBLIC

In accordance with A.R.S. §38-431.01(H) the Central Arizona Fire and Medical Authority Board has decided to allow public comments as time permits. Those wishing to address the Board regarding an issue within the jurisdiction of this public body may do so by completing a *Call to the Public* form and submitting it to Staff. Speakers are limited to three (3) minutes, but may submit written comments for Board records. Call to the Public shall not exceed 30 minutes per meeting. Board members shall not discuss or take legal action on matters raised during an open call to the public, but may ask Staff to review a matter or may ask that a matter be placed on a future agenda.

There were no public comments.

6. CONSENT AGENDA

All matters listed under consent agenda are considered to be routine by the Central Arizona

Fire and Medical Authority 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 22, 2021
- B. Approve Executive Session Minutes - February 22, 2021
- C. Approve General Fund Financial Statements
- D. Approve Fire Protection Agreements: Boshell, Burns, Kennedy, Powers, Szabla, Moe, Express Assets LLC (2), Rasnick, and Drotning

Motion to approve the Consent Agenda.

Move: Darlene Packard Second: Dave Dobbs Status: Passed

Yes: Dave Dobbs, Darlene Packard, Matt Zurcher, Owen Mills, Rick Anderson

7. VOTE TO GO INTO EXECUTIVE SESSION

- A. Legal Advice Pursuant to A.R.S. §38-431.03(A)(7) Regarding Sale of Portions of Parcels 103-35-197 and 103-35-755F to Green River Properties
- B. Legal Advice Pursuant to A.R.S §38-431.03(A)(7) Regarding Potential Swap of Real Estate between the Central Arizona Fire and Medical Authority and City of Prescott
- C. Legal Advice Pursuant to A.R.S. §38-431.03(A)(3) Regarding The Radio Guy, LLC Sublease Agreement

Motion to go into Executive Session at 5:59 p.m.

Move: Rick Anderson Second: Darlene Packard Status: Passed

Yes: Dave Dobbs, Darlene Packard, Matt Zurcher, Owen Mills, Rick Anderson

8. OLD BUSINESS

- A. Discussion and Possible Action Regarding Sale of Portions of Parcels 103-35-197 and 103-35-755F to Green River Properties

Reconvened into Open Session at 6:23 p.m.

Motion to accept the cash offer of \$10,700.00.

Move: Darlene Packard Second: Owen Mills Status: Passed

Yes: Dave Dobbs, Darlene Packard, Matt Zurcher, Owen Mills, Rick Anderson

- B. Discussion and Possible Approval of The Radio Guy, LLC Sublease Agreement

Chair Zurcher stated that this item has been tabled, and that Staff and Attorney Cornelius have their direction.

9. NEW BUSINESS

- A. Discussion and Possible Approval Regarding Potential Land Swap between the Central Arizona Fire and Medical Authority and the City of Prescott

Staff was directed to proceed as discussed.

B. Discussion and Possible Approval to Expend Capital Funds for Network Infrastructure Upgrade

Tech Services Manager Van Tuyl stated that CAFMA has a budget within the Capital Budget for IT infrastructure upgrades. The technology currently being used is out-of-date and has reached the end of its life. Historically, the Agency has purchased secondhand refurbished equipment, but in this case he recommends purchasing new due to a longer, useful life, a lifetime warranty, and peace of mind.

Chair Zurcher concurred regarding purchasing new equipment.

Chief Tharp requested clarification regarding the total estimated cost and when payment would be requested by the company in full. Manager Van Tuyl responded that the plan is to order a portion this fiscal year with existing budgeted funds from the Capital Fund, and to purchase the rest the following fiscal year.

Director Dobbs inquired as to whether the refurbished equipment is restored back to the original or to refurbished standards. Manager Van Tuyl responded that refurbished should come in perfect working order as new, other than possible external marks or dents on the chassis.

Director Anderson asserted that he is more comfortable with new equipment. He also noted that he is not comfortable speaking on behalf of next year's budget, and would like to focus on what can be approved this year. Manager Van Tuyl noted that there are other projects that are priorities for this budget year, communication sites, for example.

Chief Tharp stated that the full amount can be allocated with the caveat that the amount not included in the budget this year be paid from contingency. Excess funds will be absorbed into the budget and, in that case, contingency would not be necessary.

Motion to accept the proposal of \$180,000.00 from the Tech Services Division for network infrastructure with the caveat to expend any contingency funds above and beyond what is budgeted for fiscal year 2021.

Move: Rick Anderson Second: Darlene Packard Status: Passed

Yes: Dave Dobbs, Darlene Packard, Matt Zurcher, Owen Mills, Rick Anderson

C. Budget Update and Schedule April Budget Work Study Session

Chief Freitag stated that there is direction from the Boards for April 14th, 2021, 1:00 p.m., at CAFMA Admin.


10. ADJOURNMENT

Motion to adjourn at 6:38 p.m.

Move: Matt Zurcher Second: Darlene Packard Status:

Yes: Dave Dobbs, Darlene Packard, Matt Zurcher, Owen Mills, Rick Anderson

DRAFT



Audit Analysis and Fiscal Health of the CAFMA, CVFD and CYFD

For Fiscal Year Ending June 30, 2020



Review of 2020 Audit – CAFMA



CAFMA Highlights

- General Fund had a cash balance of \$6,174,870 (FY 2019 - \$5,531,051) as per Yavapai County
- Actual unassigned fund balance is \$3,004,017
- Capital Reserve Fund had a cash balance of \$9,712,485 million (Page 16)
- \$6.6 million in Capital Asset transfer to CAFMA – CARTA Facility (post lawsuit resolution)
- Overall, the Net Position of CAFMA went from \$36,727,455 to \$34,016,068 – a \$2,711,387 “loss”



CAFMA Highlights

- Net “loss” from the year was \$1,772,244 – \$224,931 expenditure over revenue and \$1,547,313 Capital Fund Transfer (page 18)
- Added \$2,068,424 in Capital Assets in FY 2020 (truck company, fire trucks and SCBAs)
- Depreciated (expense) \$1,578,306 in FY 2020
- Pension and OPEB - \$8,743,826 – FY 2019
\$9,515,669 – FY 2020
 - Pension expense plus reported accrued liability





CAFMA Highlights

- Chino Valley contributed \$98,536 more than budget
- Central Yavapai contributed \$34,217 more than budget (page 49)
- CAFMA received \$2,110,209 more than budgeted (Wildland, grants, taxes)
- Expended \$3,214,215 less than budgeted
 - Contingency, Capital - \$2.5 mil, exceeded M&O

CENTRAL ARIZONA FIRE AND MEDICAL AUTHORITY
SCHEDULE OF JOINT VENTURE SPECIAL ITEMS, REVENUE AND COST ALLOCATION
Year Ended June 30, 2019

	Central Yavapai Fire District	Chino Valley Fire District	Central Arizona Fire & Medical Authority
Funding contribution and cost allocation			
Funding contribution	\$ (16,826,287)	\$ (4,326,327)	\$ 21,152,614
Jointly allocated revenues:			
Charges for services	(1,507,622)	(518,011)	2,025,633
Interest earnings	(111,446)	(39,729)	151,175
Operating grants and contributions	(50,615)	(18,043)	68,658
Contracts and other	(425,311)	(43,082)	468,393
Allocation of cost to provide district services:			
Public safety personnel cost:			
Salaries and wages	8,836,261	3,149,986	(11,986,247)
Employee benefits			
Employee pension and related benefits	9,838,331	3,512,873	(13,351,204)
Other employee benefits	1,702,542	606,783	(2,309,325) *
Public safety supplies and services cost:			
Administrative support, supplies and services	634,862	135,823	(770,685)
Operational support, supplies and services			
Communications	463,974	144,269	(608,243)
Station utilities, supplies and maintenance	471,893	97,916	(569,809)
Fleet fuel and maintenance	344,368	103,710	(448,078)
Protective equipment and uniforms	211,917	68,694	(280,611)
Outside services	166,372	53,931	(220,303)
Training and prevention	140,992	31,594	(172,586)
Emergency medical supplies	89,153	27,668	(116,821)
Depreciation	1,176,574	377,618	(1,554,192)
Gain on sale of fixed assets	(48,492)	(69,467)	117,959
Excess of revenues over expenditures	5,107,466	3,296,206	(8,403,672)
Special items transfers:			
Assets transfer in (out):			
Capital assets, net of depreciation	-	(195,200)	195,200
Change in joint venture net position	5,107,466	3,101,006	(8,208,472)
Beginning net position in joint venture	(35,310,357)	(9,625,570)	44,935,927
Ending net position in joint venture	\$ (30,202,891)	\$ (6,524,564)	\$ 36,727,455



CAFMA Equity Allocation

- Based on Employee Costs assignment to station
- Based on Station operational costs
- Based on Apparatus operational costs
- Skewed due to GASB 34 and GASB 68 Reporting
 - \$5.04 million in actual employee pension and benefit costs
 - \$13.351 million allocated to pension and benefit costs

\$8,743,826 “expense” that is due to ASRS, PSPRS and OPEB reporting

CAFMA Notes

CENTRAL ARIZONA FIRE AND MEDICAL AUTHORITY REQUIRED SUPPLEMENTARY INFORMATION NOTES TO PENSION/OPEB PLAN SCHEDULES June 30, 2019

NOTE 2 FACTORS THAT AFFECT TRENDS

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS also reduced those members' employee contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS-required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the PSPRS-required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date. Also, the District refunded excess employee contributions to PSPRS members. PSPRS allowed the District to reduce its actual employer contributions for the refund amounts. As a result, the District's pension contributions were less than the actuarially or statutorily determined contributions for 2018 and 2019.



CVFD Highlights

- General Fund had a cash balance of \$133,952 (page 13)
- CVFD transferred \$195,200 to CAFMA in capital assets (Page 16) Sale of Reserve Station
- Overall, the Net Position of CVFD went from \$6,292,494 to \$3,220,133 – a \$3,072,361 “loss”
 - Loss from Joint Venture - \$3,101,006

CHINO VALLEY FIRE DISTRICT
STATEMENT OF NET POSITION
June 30, 2019

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 765,865
Property taxes receivables	137,680
Investment in joint venture	<u>6,524,564</u>
Total assets	<u>7,428,109</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	<u>140,648</u>
LIABILITIES	
Accounts payable	51,189
Due to other governments	92,435
Noncurrent liabilities	
Due within one year	335,000
Due in more than one year	<u>3,870,000</u>
Total liabilities	<u>4,348,624</u>
NET POSITION	
Restricted for debt service	2,719
Unrestricted	<u>3,217,414</u>
Total net position	<u>\$ 3,220,133</u>



CVFD Highlights

- Revenues were more than budget \$55,693 (FDAT)
- Expenditures were more than budget \$54,511
(Transfer of excess funds to CAFMA)
- Fund Balance \$133,952 (\$1,182 increase)
- No Pension Reporting as all employee are CAFMA

CHINO VALLEY FIRE DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 Year Ended June 30, 2019

	Original and Final Budget	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Taxes:			
Property taxes	\$ 3,926,501	\$ 3,938,420	\$ 11,919
Fire district assistance tax	333,290	366,951	33,661
Interest earnings	-	12,113	12,113
Other	2,000	-	(2,000)
Total revenues	<u>4,261,791</u>	<u>4,317,484</u>	<u>55,693</u>
EXPENDITURES			
Fund transfer to:			
Fire Authority funding	4,227,791	4,326,327	(98,536)
Public safety - fire protection:			-
Administrative and support services	34,000	9,975	24,025
Contingency	20,000	-	20,000
Total expenditures	<u>4,281,791</u>	<u>4,336,302</u>	<u>(54,511)</u>
Net change in fund balance	(20,000)	(18,818)	1,182
Fund balance, beginning of year	<u>152,770</u>	<u>152,770</u>	-
Fund balance, end of year	<u>\$ 132,770</u>	<u>\$ 133,952</u>	<u>\$ 1,182</u>



Questions?



CYFD Highlights

- General Fund had a cash balance of \$107,540
- Overall, the Net Position of CYFD went from \$33,316,155 to \$29,253,117 – a \$4,063,038 “loss”
 - Loss from Joint Venture - \$5,107,466

CENTRAL YAVAPAI FIRE DISTRICT
STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

	<u>Governmental Activities</u>
EXPENSES	
Public safety fire protection and emergency services	
Fire safety and emergency services	\$ 16,826,287
Administrative and support services	60,960
Depreciation	102,633
Interest	<u>311,466</u>
Total program expenses	<u>17,301,346</u>
PROGRAM REVENUES	
Income (loss) from joint venture	<u>(5,107,466)</u>
Total program revenues	<u>(5,107,466)</u>
Net program expense	<u>(22,408,812)</u>
GENERAL REVENUES	
Property taxes	17,880,887
Fire District Assistance Tax (FDAT)	366,951
Interest earnings	59,588
Other revenues	<u>38,348</u>
Total general revenues	<u>18,345,774</u>
CHANGE IN NET POSITION	(4,063,038)
NET POSITION BEGINNING OF YEAR	<u>33,316,155</u>
NET POSITION END OF YEAR	<u><u>\$ 29,253,117</u></u>



CYFD Highlights

- Revenues were more than budget \$72,252
- Expenditures were less than budget \$14,153
- Fund Balance was \$107,540
 - Increase of \$30,199
- \$56,206 transfer for Lease Purchase - Motorola
- FDAT and Interest Income – excess revenue
- \$34,217 to CAFMA – prior year

CENTRAL YAVAPAI FIRE DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
Year Ended June 30, 2019

	Original and Final Budget	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES			
Property taxes	\$ 16,529,780	\$ 16,527,908	\$ (1,872)
Fire district assistance tax	333,290	366,951	33,661
Fire contracts	38,000	38,348	348
Interest Income	-	40,115	40,115
Total Revenues	<u>16,901,070</u>	<u>16,973,322</u>	<u>72,252</u>
EXPENDITURES			
Current			
Fire Authority funding	16,792,070	16,826,287	(34,217)
Administration and support services	89,000	60,630	28,370
Contingency	20,000	-	20,000
Total expenditures	<u>16,901,070</u>	<u>16,886,917</u>	<u>14,153</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>86,405</u>	<u>86,405</u>
Other Financing Sources (Uses):			
Transfers to other funds	-	(56,206)	(56,206)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(56,206)</u>	<u>(56,206)</u>
Net change in fund balance	-	30,199	30,199
Fund Balance - Beginning of Year	<u>77,341</u>	<u>77,341</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 77,341</u>	<u>\$ 107,540</u>	<u>\$ 30,199</u>



Questions?