



Rio Verde Fire District
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**MINUTES OF THE
RIO VERDE FIRE DISTRICT
BOARD OF DIRECTORS GENERAL SESSION**

January 27, 2020

TABLE OF CONTENTS

| | |
|--|----------|
| I. CALL TO ORDER | 2 |
| II. ROLL CALL OF BOARD MEMBERS | 2 |
| III. CERTIFICATE OF POSTING | 2 |
| IV. RESOURCE SPECIALISTS REPORT | 2 |
| V. CALL TO THE PUBLIC | 2 |
| VI. APPROVAL OF MINUTES | 3 |
| VII. AUDITOR’S REPORT – 2017 - 2018 | 3 |
| VIII. CLERK’S REPORT | 3 |
| IX. FINANCIAL REPORTS | 3 |
| X. FIRE STATION BOND ELECTION | 5 |
| XI. ENGAGEMENT OF BOND UNDERWRITER | 5 |
| XII. DISTRICT REPORTS | 6 |
| XIII. ADMINISTRATIVE MANAGER’S REPORT | 7 |
| XIV. BOARD COMMENTS | 7 |
| XV. CHAIRPERSON COMMENTS | 8 |
| XVI. ADJOURNMENT | 8 |



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January 27, 2020

COMMISSIONERS PRESENT: Marty Bowin, Jerry Fickes, Jeanne Finney, George Kattermann, and Nancy Sewell

COMMISSIONERS ABSENT: None

ALSO PRESENT: CPA Kay Green; Chief Jay Ducote, Fire Marshal Chris Cavanaugh, and Administrative Manager Jennifer Jacobe; Rio Verde Fire District

I. CALL TO ORDER

The Monday, January 27, 2020, General Session of the Board of Directors was called to order by Chairperson George Kattermann at 9:00 a.m. in the Alexander Building Board Room, Rio Verde, Arizona 85263.

II. ROLL CALL OF BOARD MEMBERS

All commissioners were present.

III. CERTIFICATE OF POSTING

The District's Certificate of Posting was presented, certifying that the meeting's agenda had been posted at least twenty-four hours prior to the meeting. This certificate was posted at the fire station, Rio Verde Post Office, Rio Verde Community Center, the Tonto Verde Community Center, and on the District and Trilogy websites.

IV. RESOURCE SPECIALISTS REPORT

There was no Resource Specialists report.

V. CALL TO THE PUBLIC

There was no response to the Call to the Public.

VI. APPROVAL OF MINUTES

December 16, 2019, General Session

Commissioner Fickes moved the approval of the December 16, 2019, General Session minutes. That motion was seconded by Commissioner Finney and passed unanimously.

VII. AUDITOR'S REPORT – 2017 - 2018

Commissioner Fickes moved the approval of the 2017 – 2018 Audit as submitted. That motion was seconded by Commissioner Sewell. Discussion ensued.

CPA Kay Green announced that her firm had found no audit findings. An unqualified audit opinion was issued, the best opinion possible. She noted the following:

- Her firm appreciates the fact that the financials were completed by SC Audit and Accounting, as having the reports viewed by a CPA provides an additional layer of expertise.
- Property taxes increased over \$192,000 from the prior year.
- Wildland collections and grants decreased over \$100,000 from the prior year.
- Total charges for services were \$226,511, down approximately \$14,500 from the prior year.
- Ambulance revenues decreased by approximately \$42,000, but the permit and plan revenues increased by almost \$30,000. Overall, total fund balances increased by \$104,132.

Commissioner Fickes noted that the actual amount of pension contribution is extremely important, as the PSPRS Local Board must certify the percentage of the total assets being held by the AZ PSPRS for Rio Verde. The local board has no other way to obtain that amount, as the reports received from the actuary are based on the estimated contribution cost for the year, not the amount actually contributed. The GASB 68 provided to the auditor comes the closest to using the proper figures for this report required by law.

The motion was passed unanimously.

VIII. CLERK'S REPORT

Future Meetings

Commissioner Fickes listed the following meeting dates:

- Monday, February 24, 2020 – 9 a.m.
- Wednesday, March 25, 2020 – 9 a.m. (Note change in March's meeting date.)
- Monday, April 27, 2020 – 9 a.m.

Board meetings are scheduled for the Alexander Building Board Room.

IX. FINANCIAL REPORTS

Commissioner Bowin reported the final financial report for the months of November and December of 2019:

| Financial Report – November 2019 | |
|---|----------------|
| Revenue | \$243,093.03 |
| Expenses | \$254,458.19 |
| Other Income (Expense) | (\$404,518.62) |
| Net Income (Loss) | (\$415,883.78) |
| Transfers to/from Capital Fund | \$400,000.00 |
| Adjusted Net Income | (\$15,883.78) |
| Monthly Budgeted Net Income (Loss) | (\$5,858.03) |
| | |
| YTD Actual Net Income (Loss) | \$1,238,904.03 |
| Borrowing from Capital Fund | \$500,000.00 |
| YTD Adjusted Net Income | \$738,904.03 |
| YTD Budgeted Net Income | \$254,279.48 |
| | |
| General Fund Operating Cash | \$1,305,093.89 |
| Capital Fund Cash | \$803,819.60 |
| Capital Fund Advances to General Fund | \$500,000.00 |
| Capital Fund Equity | \$1,303,819.60 |

Commissioner Bowin moved that the Board accept the November 2019 Financial Report. That motion was seconded by Commissioner Sewell and passed unanimously.

Commissioner Bowin moved that the Board accept the November 2019 Monthly Transaction Report. That motion was seconded by Commissioner Sewell and passed unanimously.

Commissioner Bowin moved that the Board accept the November 2019 bank reconciliations as submitted. That motion was seconded by Commissioner Sewell and passed unanimously.

The revised above November report contains corrected figures due to errors in the original report. This revised report will be presented at the February Board meeting.

| Financial Report – December 2019 | |
|---|----------------|
| Revenue | \$226,750.39 |
| Expenses | \$293,059.61 |
| Other Income (Expense) | (\$172,747.06) |
| Net Income (Loss) | (\$239,056.28) |
| Transfers to/from Capital Fund | \$250,000.00 |
| Adjusted Net Income | \$10,943.72 |
| Monthly Budgeted Net Income (Loss) | (\$71,053.75) |
| | |
| YTD Actual Net Income (Loss) | \$999,847.75 |
| Borrowing from Capital Fund | \$250,000.00 |
| YTD Adjusted Net Income | \$749,847.75 |
| YTD Budgeted Net Income | \$183,225.73 |
| | |

| | |
|---------------------------------------|----------------|
| General Fund Operating Cash | \$1,120,721.11 |
| Capital Fund Cash | \$1,043,100.30 |
| Capital Fund Advances to General Fund | \$250,000.00 |
| Capital Fund Equity | \$1,293,100.30 |

Commissioner Bowin is authorized to transfer an additional \$250,000 from the Capital Fund to the General Fund to cover upcoming expenses.

The PSPRS additional payment was not budgeted to be made until January, so that will be shown on the January financial report.

Commissioner Bowin moved that the Board accept the December 2019 Financial Report. That motion was seconded by Commissioner Sewell and passed unanimously.

Commissioner Bowin moved that the Board accept the December 2019 Monthly Transaction Report. That motion was seconded by Commissioner Sewell and passed unanimously.

Commissioner Bowin moved that the Board accept the December 2019 bank reconciliations as submitted. That motion was seconded by Commissioner Sewell and passed unanimously.

X. FIRE STATION BOND ELECTION

Commissioner Bowin remarked that each January the District reviews the need for expanding the District to two stations. It is now a critical time for the District, as due to new and existing homes in the area of Trilogy, calls to that area take much longer to service. There is now enough revenue coming forward to support a transitional two-person crew next fiscal year (2020/2021). For those new homes being built between now and 2022, there would be enough revenue to support a four-person crew for that fiscal year (2023/2024).

Chief Jay Ducote, Fire Marshal Chris Cavanaugh, Administrative Manager Jennifer Jacobe, and Board Treasurer Marty Bowin submitted a letter entitled "January 2020 Board Meeting Statement" regarding the proposed new fire station. This letter is to be included as a part of these minutes.

Commissioner Bowin moved the initiation of the bond process for Station 442, so that it can be prepared for a November bond vote in 2020. That motion was seconded by Commissioner Finney and passed unanimously.

XI. ENGAGEMENT OF BOND UNDERWRITER

Discussion was held regarding the use of a bond underwriter (Stifel) versus a financial advisor (Hilltop).

Commissioner Sewell moved that the Board engage Stifel as the underwriter of the District's bonds. That motion was seconded by Commissioner Fickes and passed unanimously.

Commissioner Sewell requested that a stakeholder analysis be held during the bond process.

XII. DISTRICT REPORTS

EMS Reports

Commissioner Finney noted that there were 12 surveys returned, all rating service as “Outstanding” with no negative comments or attributes, and no one needed to be contacted. A mention was made that the group assisted in keeping the family calm.

Chief's Report

Retired Captain John Heinz

The memorial service for retired Captain John Heinz was held on Saturday. Ducote remarked that Heinz had been a great individual and was good for the community. Staff members were commended for working diligently on the service.

Meeting with Maricopa County Supervisor District 2

Chief Ducote and Commissioner Kattermann met with Maricopa County Supervisor for District 2 Steve Chucri to solicit his assistance in obtaining construction approvals from the County regarding Fire Station 442.

Fire Marshal Report

On behalf of all District firefighters, Fire Marshal Chris Cavanaugh expressed his thanks to the Board for moving forward on the bond process.

Chris Cavanaugh reported the following for the month of December 2019:

Permits issued:

| December | 2019 | 2018 |
|-----------------|-------------|-------------|
| Sprinklers | 0 | 3 |
| Propane Tanks | 1 | 3 |
| Others | 0 | 2 |
| YTD (All Types) | 344 | 291 |

| Other Prevention Activity (September) | |
|---|----|
| Propane Plan Review | 1 |
| Total Inspections (Fire Marshal and Inspectors) | 43 |

Chris Cavanaugh also reviewed the District's activity and average response times for December 2019:

| Call Type | Response Time |
|--|----------------------|
| In-District EMS | 4:47 |
| South District/North District EMS Response Time (Avg) | 3:42/8:45 |
| Out-of-District EMS Non-Corridor (Fountain Hills, Fort McDowell) | N/A |
| Out-of-District EMS Corridor | N/A |

| In-District Non-Emergency | 5:32 | |
|--|---------------|---------------|
| Call Type | # Occurrences | |
| | December 2019 | December 2018 |
| EMS In-District Calls | 28 | 29 |
| EMS Out-of-District Calls (Non-corridor) | 0 | 0 |
| EMS Out-of-District Calls (Corridor) | 0 | 0 |
| Non-EMS In-District | 20 | 8 |
| Transports | 22 | 22 |
| • Out of District Transports | 0 | 0 |
| Outside Rescue Used Within District | 1 | 2 |
| Fire-related Calls* | 4 | 2 |
| BP/Information Services | 20 | 21 |
| Station Tours/Walk-in First Aid | 0 | 12 |
| Child Seat Install | 3 | 3 |

*1 Small electric transformer overheated, 3 alarm malfunctions: CO detector & smoke detectors

XIII. ADMINISTRATIVE MANAGER'S REPORT

Administrative Manager Jennifer Jacobs noted that the District has fought four fires during this fiscal year – one in Arizona and three in California. A total of \$212,744.08 had been billed, and as of December 18, 2019, all receivables had been paid.

XIV. BOARD COMMENTS

Chairperson Kattermann, Commissioners Finney and Fickes, Fire Marshal Chris Cavanaugh, and Administrative Manager Jennifer Jacobs attended the AFDA conference in Laughlin, Nevada.

Cavanaugh and Jacobs both felt that the conference was extremely informative and will provide notes to Chief Ducote as to proposed implementations.

Two AZ PSPRS sessions were held at the conference, and Chairperson Kattermann mentioned that the AZ PSPRS may finally have good staff members to lead the charge for the AZ pension.

At the first pension session, Commissioner Fickes mentioned the problems with working with old figures and percentages. The new head of the AZ PSPRS agreed with Fickes about the manner in which they could transform their reporting to the districts, so that the districts could pick up the additional pension contributions.

Commissioner Fickes reviewed the current financial consequences of the District's firefighters entering the DROP and not having contributions made, even though the actuaries assumed a large share of the contributions would have come from these firefighters.

General discussion was held on the conference meetings.

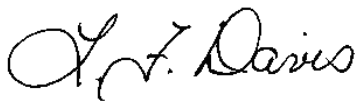
XV. CHAIRPERSON COMMENTS

Chairperson Kattermann reminded the Board that a Building Committee still needed to be formed. Chief Ducote stated that he, Chris Cavanaugh, and Jennifer Jacobs have been selected to be on this committee. He also stated that he would like to have two Board members and Nigel Finney (engineer) as a civilian member. Approval of the committee members will be considered at the February Board meeting.

XVI. ADJOURNMENT

Commissioner Fickes moved that the meeting adjourn at 10:42 a.m. That motion was seconded by Commissioner Bowin and passed unanimously.

Respectfully submitted,



Libby Floyd Davis
My Personal Secretary
(From Voice Recording)

Final