



Rio Verde Fire District
25608 North Forest Road
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**MINUTES OF THE
RIO VERDE FIRE DISTRICT
BOARD OF DIRECTORS GENERAL SESSION**

January 28, 2019

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January 28, 2019

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

COMMISSIONERS ABSENT: None

ALSO PRESENT: Chief Jay Ducote, Deputy Chief Eric Merrill, Fire Marshal Chris Cavanaugh, and Administrative Manager Jennifer Jacobs, Rio Verde Fire District; Kay Green of Assurance Professionals, LLC

I. CALL TO ORDER

The Monday, January 28, 2019, 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 Specialist report.

V. CALL TO THE PUBLIC

There was no response to the Call to the Public.

VI. EMERGENCY RATIFICATION/LEASE RENEWAL

On January 7, 2019, the RVFD submitted a lease renewal letter to its landlord for the administrative offices, Steve Wong of Phoenix 19th Investment, LLC. This certified letter provided notice of the District's intent to renew/extend the existing lease agreement for the year beginning June 1, 2019, to May 31, 2020. Chief Ducote will confirm receipt of the lease renewal letter.

Commissioner Fickes moved that the District ratify its motion for the lease on the Alexander building as an emergency. That motion was seconded by Commissioner Sewell and passed unanimously.

VII. APPROVAL OF MINUTES

December 17, 2018, General Session

Commissioner Fickes moved the approval of the December 17, 2018, General Session minutes as presented. That motion was seconded by Commissioner Finney and passed unanimously.

VIII. MUNICIPAL BOND FOR NEW FIRE STATION

Commissioner Bowin reviewed the past calendar year's activity/timing numbers with the Board. Chief Ducote suggested the use of an exception report, explaining any lengthy response times.

Commissioner Bowin moved that the following January 2019 Board Meeting Statement be placed into the minutes:

"The Rio Verde Fire District (RVFD) Board and Staff continue to review present and future District needs and the financial capabilities to meet those needs. Growth in the District population is monitored and assessed as to its possible impact on meeting those needs, including possible future expansion of the District facilities and personnel. If the Board concluded that full expansion with the addition of a second fire station was necessary, then it would initiate a process to place a Bond proposal on a November-scheduled election ballot. That process would need ten (10) months to complete and therefore would need to be initiated by February 1.

During January 2019, RVFD Board and Staff have reviewed the past four (4) years' call volumes, response times, actual growth of homes and population in the District, and forecasted growth as well. A thorough review of financial requirements and additional revenues to support any interim or permanent expansion was also made.

The RVFD Board has concluded that there are not sufficient needs or revenues to move forward with a Bond process for a November 2019 special election ballot. The RVFD Board and Staff will continue to monitor growth monthly within the District and conduct a formal reassessment in January 2020."

The motion was seconded by Commissioner Finney and passed unanimously.

It was suggested that a member of the Board (or a staff member) attend the community's association meetings to discuss the District's activity and long-range plans. Additionally, Chief Ducote will compile a press release for the community newsletters and *The Fountain Hills Times*.

Commissioner Bowin also suggested that the District budget appropriately in order to pay down the debt for the new station property.

IX. AUDITOR'S REPORT 2017-2018

Kay Green of Assurance Professionals, LLC, presented the 2017-2018 Audit Report to the Board.

Green stated that the District complies with all Arizona statues, and that she had found no audit findings or deficiencies in internal control. Her company had issued an "unqualified audit opinion," the best opinion under generally accepted accounting principles, general auditing standards, and governmental auditing standards. She added that the financial statements and notes were the representation of the management of the District and were fairly presented under the modified cash basis fund accounting.

Highlights were as follows:

- Property taxes increased over \$245,000 from the prior year.
- Wildland collections increased over \$139,000 from the prior year.
- Ambulance services increased over \$90,000 from the prior year. (It was noted that some of this income could be from a prior year and the fact that this was the first full 12 months of ambulance billings and collections.)
- The GASB report (Government Accounting Standards Board) estimated net pension liability at \$2,265,389, as of June 30, 2017, a decrease of over \$197,000 from the prior year.

Commissioner Fickes voiced the following concerns:

- The AZ PSPRS has made an error(s) reporting the District's pension contributions in 2016, i.e., crediting the wrong district with a RVFD contribution. Though Fickes has received no acknowledgement from the AZ PSPRS of this error correction, he will check for a credit in the amount of the contribution error plus interest. He is also looking for verification of the past years' contributions.
- The number of employees per the District is different than that of the audit. Green responded that her figures were based on the GASB figures from 6-30-17, not 6-30-18.
- The benefit tiers 1 and 2 are combined. Valuation of tier 3 was not included; only the contribution level was stated. Tier 3 started on July 1, 2017.
- An inconsistency exists between various reports regarding disability benefits. One states that retirement survivor benefits are to be provided at 50% of the member's compensation for up to 12 months, but another indicates that 50% of the compensation would be paid for 12 months after recovery.

Green commended Past Administrative Manager Jo Lewis and Deputy Chief Eric Merrill on their proficiency in reporting on ambulance activities, billing, and monitoring procedures. No journal entries were needed in the audit. Green then welcomed Jennifer Jacobe to the staff position.

Commissioner Bowin moved that the Board approve the 2017/2018 Audit Report with financial statements, footnotes, and noted changes. That motion was seconded by Commissioner Fickes and passed unanimously.

X. REPORTS AND CORRESPONDENCE

Clerk’s Report

Future Meetings

Commissioner Fickes listed the following meeting dates:

- Monday, February 25, 2019 – 9 a.m.
- Monday, March 25, 2019 – 9 a.m.
- Monday, April 29, 2019 – 9 a.m.

Board meetings will be held in the Alexander Building Board Room.

Financial Report

Commissioner Bowin advised the Board that the November financials were now available from the Maricopa County Treasurer’s Department:

Financial Report – November 2018	
Revenue	\$290,417.54
Expenses	\$216,841.44
Other Income (Expense)	(\$374,500.00)
Net Income (Loss)	(\$300,923.90)
Transfers to/from Capital Fund	\$375,000.00
Adjusted Net Income	\$74,076.10
Monthly Budgeted Net Income (Loss)	\$41,228.86
YTD Actual Net Income (Loss)	\$939,791.78
Borrowing from Capital Fund	\$275,000.00
YTD Adjusted Net Income	\$738,867.80
YTD Budgeted Net Income	\$702,002.04
General Fund Operating Cash	\$1,030,146.06
Capital Fund Cash	\$906,466.38
Capital Fund Advances to General Account	\$275,000.00
Capital Fund Equity	\$1,181,466.38

Highlights were as follows:

- The (\$300,923.90) net income was due to a transfer of \$375,000 from the General Fund to the Capital Fund as a partial repayment. (The remainder of the loan was transferred from the General Fund to the Capital Fund in the month of January.)

- Wildland receipts more than balanced out the personnel overage on the P&L.

Commissioner Bowin moved that the Board accept the Financial Report for the month of November 2018. That motion was seconded by Commissioner Sewell and passed unanimously.

Commissioner Bowin moved that the Board accept the November 2018 Monthly Transaction Report. That motion was seconded by Commissioner Finney and passed unanimously.

Commissioner Bowin moved that the Board accept the November 2018 bank reconciliations as submitted. That motion was seconded by Commissioner Sewell and passed unanimously.

XI: APPROVAL OF SC AUDIT & ACCOUNTING SOLUTIONS, LLC

Commissioner Bowin informed the Board that a new accounting firm, SC Audit & Accounting Solutions, LLC, would now be working with the District compiling the financial statements and reconciling bank accounts. As soon as the number of billing hours is estimated, Chief Ducote will provide the Board with an estimated cost, but the move to outsource these accounting tasks appears to be financially beneficial to the District.

Commissioner Bowin then moved that the District accept the service agreement of S.C. Audit & Accounting Solutions, LLC, dated January 9, 2019. That motion was seconded by Commissioner Fickes and passed unanimously.

XII. ADJOURNMENT TO EXECUTIVE SESSION/RECONVENE TO GENERAL SESSION

Pursuant to ARS §38-431.03(1), at 10:02 a.m. Commissioner Sewell moved that the Board go into Executive Session for the purpose of discussing organizational changes in the District. That motion was seconded and passed unanimously.

At 10:27 a.m. the Board reconvened to General Session.

Commissioner Fickes moved that the Board hire Past Administrative Manager Jo Lewis, when needed, with the discretion of Chief Ducote, on an hourly basis. She would be paid the same rate as she was paid during her employment. That motion was seconded by Commissioner Finney and passed unanimously.

Commissioner Fickes moved that the Board promote Jennifer Jacobs into the position of Administration Manager with the suggested salary adjustment. That motion was seconded by Commissioner Sewell and passed unanimously.

XIII. REPORTS AND CORRESPONDENCE (CONTINUED)

EMS Survey Report

Commissioner Finney indicated that 21 survey responses had been received, all noting "Outstanding Service." There were no unusual or negative comments.

Chief's Report

Chief Ducote reported the following promotions:

- Captain Chris Cavanaugh → District Fire Marshal
- Nate Malmrose → District Captain
- Doug Blazer → District Engineer

Cavanaugh, Malmrose, and Blazer were congratulated on their new positions.

Fire Marshal Cavanaugh will be working four 10-hour shifts, Tuesday through Friday. He will be present at the Board meetings.

On January 15, 2019, the property for a new fire station was purchased. Chief Ducote and Fire Marshal Cavanaugh will meet with Shea Homes on this date to discuss property transition and water pressure matters.

Deputy Chief's Report

Activity Report – District Response Times – December 2018

Deputy Chief Eric Merrill reported the following response times for the month of December 2018:

Call Type		Response Time	
In-District EMS (Average)		4:00	
Out-of-District EMS (Average)		0:00	
Out-of-District Corridor (Average)		0:00	
In-District Non-Emergency (Average)		5:15	
Call Type		# Occurrences	
	Year	2018	2017
EMS In-District Calls		29	26
EMS Out-of-District Calls		0	2
EMS Corridor Calls		0	2
Non-EMS In-District		8	14
Transports		22	19
Out of District Transports		0	1
Outside Rescue Used Within District*		2	0
Fire-related Calls**		2	4
BP/Information Services		21	42
Station Tours/Walk-in First Aid		12	2
Child Seat Install		3	4

*Transporting Other Patients with Rescue Unit

**1 Alarm Malfunction and 1 Smoke/Propane Odor

Commissioner Sewell asked if a staff member could follow up with Intermedix regarding error reports. Merrill responded that he had not received an error report since December but would contact Intermedix. Merrill also noted that every call is now in the Intermedix billing system. Chairperson Kattermann thanked everyone who contributed to this improved process.

Administrative Manager’s Report

Wildland Fire Expense Update

New Administrative Manager Jennifer Jacobs reported that no change had been made to the wildland fire expense receivables.

	Invoiced Amount	Paid Amount	Outstanding
Southern LNU Complex Napa Valley, California 10/11/2017 – 10/24/2017 Joshua Johnson with Mayer FD Invoiced 11/29/17 – Rec’d 9/12/18	\$12,444.92	\$12,444.92	-0-
CNF Cover 2018 Fire California 7/6/18 & 7/9/18 – 7/14/18	\$38,554.36	\$38,554.36	-0-
West Fire California 7/7/18 – 7/8/18	\$12,286.71	\$12,286.71	-0-
Ferguson Fire California 7/16/18 – 7/22/18	\$34,774.98	\$34,774.98	-0-
STF July Lightning Fire California 7/15/18 – 7/16/18	\$10,530.57	\$10,530.57	-0-
Ranch Fire – Mendocino Complex California J. Johnson – Strike Team Leader 8/15/18 (2 weeks). Approved 10/30/18	\$16,543.59	-0-	\$16,543.59
INVOICED TOTALS	\$125,135.13	\$108,591.54	\$16,543.59*

*This amount was approved in December, but payment will be slightly delayed.

The Board-set wildland accounts receivable maximum of \$150,000.00 was never exceeded.

XIV. UNFINISHED BUSINESS

There was no Unfinished Business.

XV. BOARD COMMENTS

There were no additional Board comments.

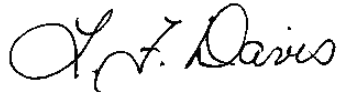
XVI. CHAIRPERSON COMMENTS

Chairperson Kattermann commented that his reticence to report his discussions with Jo Lewis with the Board was simply due to the fact that he was unsure if she would terminate or was changing her mind.

XVII. ADJOURNMENT

Commissioner Fickes moved that the meeting adjourn at 10:40 a.m. That motion was seconded by Commissioner Finney and passed unanimously.

Respectfully submitted,



Libby Floyd Davis
My Personal Secretary
(From Voice Recording)

lfd