



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

February 24, 2020

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February 24, 2020

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

COMMISSIONERS ABSENT: None

ALSO PRESENT: Chief Jay Ducote, Fire Marshal Chris Cavanaugh, and Administrative Manager Jennifer Jacobs; Rio Verde Fire District; Eric Chalmers, Director of Strategy 360; Resource Specialist Dennis Meyer; Resident Gary Weekley

I. CALL TO ORDER

The Monday, February 24, 2020, General Session of the Board of Directors was called to order by Chairperson George Kattermann at 9:00 a.m. in the RVFD Administrative 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

Chairperson Dennis Meyer was present to report on the Resource Specialists. He noted there were now 13 active volunteers and that everything was moving smoothly.

V. CALL TO THE PUBLIC

There was no response to the Call to the Public.

VI. APPROVAL OF MINUTES

January 27, 2020, General Session

Commissioner Fickes moved the approval of the January 27, 2020, General Session minutes. That motion was seconded by Commissioner Sewell and passed unanimously.

VII. STRATEGY 360 PRESENTATION – BOND ELECTION

Chief Jay Ducote introduced Eric Chalmers, director of Strategy 360, who reviewed his company's strategy to assist the District in its future bond election. Mr. Chalmers departed the meeting shortly after his presentation.

VIII. CLERK'S REPORT

Future Meetings

Commissioner Fickes listed the following meeting dates:

- Wednesday, March 25, 2020 – 9 a.m. (Note change in March's meeting date.)
- Monday, April 27, 2020 – 9 a.m.
- Monday, May 18, 2020 – 9 a.m.

Board meetings are scheduled for the RVFD Administrative Board Room.

Commissioner Bowin will be unable to attend the April 27 meeting.

Pension Recommendations

A PSPRS Local Board meeting was held on February 20 to discuss pension recommendations. The following are some of the specific facts concerning the local pension as of this date:

- Seven (7) firefighters are currently in Tiers 1 and 2, two (2) of which may be close to retirement.
- Two (2) firefighters entered D.R.O.P. (deferred retirement program) in the past year but were still included in the active group in the actuarial report. When a firefighter joins D.R.O.P. he is no longer required to make an annual contribution, nor does the District have to make one. To make the actuarial report worthwhile and avoid an unnecessary increase in our unfunded liability, the District must continue to pay these.
- D.R.O.P. firefighters are paid their pension during that maximum five-year period, but the pension payment goes directly into a special fund where it accrues an assumed

interest rate of 7.4% annually. The District must make up for any difference in assumed and actual interest rates. As liability rises, the funding ratio decreases. As the firefighter moves to D.R.O.P., his asset and liability move but must be included at the full amount. Since it is not completely held, it must be made up by the District. Fickes anticipated a D.R.O.P. cost of \$100,000 per firefighter. Please note that this amount might be returned to the District through the recent unfortunate death of a retiree with no beneficiaries. This will not be known for a year.

- New firefighters are now hired only under Tier 3, with the exception of firefighters who were hired prior to 2018 and transferring their pension. Tier 3 public safety employees (firefighter and police) are grouped together with all districts of 250 or less members; this includes our District. Tier 3 should be paid as requested, including newcomers.
- The AZ PSPRS has recommended that districts use the premium tax as an additional contribution to their pension plans in order to increase their funding ratio. These premium tax refunds should all be credited to Tiers 1 and 2.

It is the task of the PSPRS Local Board to provide a recommended pension contribution calculation for the upcoming year to the Rio Verde Fire District Board of Directors. Thus, the following motions were made in the PSPRS Local Board meeting on February 20, 2020, for presentation to the General Board:

Director Kattermann moved that no less than \$304,949 be contributed to the pension fund for Tiers 1 and 2 for the upcoming fiscal year, and premium tax should also be contributed. That motion was seconded by Director Oden and passed unanimously.

Director Kattermann moved that no less than \$90,946 (plus adjustments in the rate being applied to higher and to new salaries) to be contributed to the Tier 3 pension fund for the upcoming fiscal year. That motion was seconded by Director Oden and passed unanimously.

Commissioner Fickes voiced his intention to assure that all pension funds are being collected properly (including past service with other districts) prior to his upcoming resignation. (\$30,000 has been collected by the District from other districts in the past.)

IX. FINANCIAL REPORTS

Commissioner Bowin reviewed the financial report for the January 2020:

Financial Report – January 2019	
Revenue	\$75,908.14
Expenses	\$306,635.03
Other Income (Expense)	(\$241,362.01)
Net Income (Loss)	(\$472,088.90)
Transfers to (from) Capital Fund	(\$250,000.00)
Adjusted Net Income	(\$222,088.90)
Monthly Budgeted Net Income (Loss)	(\$121,510.50)

YTD Actual Net Income (Loss)	\$527,758.85
Borrowing from Capital Fund	\$0.00
YTD Adjusted Net Income	\$527,758.85
YTD Budgeted Net Income	\$61,715.23
General Fund Operating Cash	\$606,198.80
Capital Fund Cash	\$1,189,851.15
Capital Fund Advances to General Fund	\$0.00
Capital Fund Equity	\$1,189,851.15

Commissioner Bowin noted the following:

- There were three (3) payrolls in January, resulting in a payroll figure higher than budgeted.
- A payment was made for the Station 442 land and reimbursed by the Capital Fund.
- A total of \$250,000 was reimbursed from the General to the Capital Fund.
- The cost of preventative maintenance (brush truck) rose substantially during the month due to the three (3) wildland fires fought in California. These costs were reimbursed but appear in the profit and loss statement as “Other Income.”
- Commissioner Bowin explained that one warrant issued in January 2020 was erroneously dated in November 2019, so journal entries to both months were made to compensate.

Commissioner Bowin moved that the Board accept the January 2020 Financial Report. That motion was seconded by Commissioner Finney and passed unanimously.

Commissioner Bowin moved that the Board accept the January 2020 Monthly Transaction Report. That motion was seconded by Commissioner Finney and passed unanimously.

Commissioner Bowin moved that the Board accept the January 2020 bank reconciliations as submitted. That motion was seconded by Commissioner Sewell and passed unanimously.

Commissioner Bowin is authorized to automatically transfer an additional \$250,000 from the Capital Fund to the General Fund to cover upcoming expenses if needed, though no transfer is anticipated through fiscal year end.

An amended version of the financial report for November 2019 is attached as part of the minutes. This report was presented and corrected during the January meeting.

X. PRESENTATION BY STRATEGY 360 FOR BOND ELECTION ASSISTANCE

Chief Ducote recommended the retention of Strategy 360 for assistance during the upcoming bond election – at no cost to the District (or minimal cost).

Commissioner Fickes moved that the District retain Strategy 360 for bond election assistance. That motion was seconded by Commissioner Sewell and passed unanimously.

XI. OTHER DISTRICT REPORTS

EMS Reports

Commissioner Finney noted that there were four (4) surveys returned, all rating service as “Outstanding” with no negative comments or attributes, and no one needed to be contacted.

Chief’s Report

2020 Levy Limit Worksheet

The year 2020 levy limit and net assessed value detail worksheets have been sent to residents from the Maricopa County Assessor. Chief Ducote and staff members are ensuring that all appropriate properties are included in the County’s calculations.

Budget Timeline

A timeline has been set for the next fiscal year’s budget, and the planning has commenced.

Brown & Brown – Workers’ Compensation Insurance

The workers’ compensation Experience Modification Rating (EMOD) was received at 0.75, much more favorable than a few years ago. It has been noted that CopperPoint (the District’s insurer) will no longer be insuring firefighters in workers’ compensation. Chief Ducote is soliciting bids for another carrier.

As of this date, new unpassed legislation would require that nonrefutable cancer coverage be included in workers compensation for firefighters or police. Chief Ducote recently attended a conference with 7710 Insurance, a workers’ compensation carrier. It was learned that workers’ compensation costs would go up by 174% (July of 2021) if the current legislation passed. This would increase the District’s workers’ compensation cost from approximately \$45,000/year to \$120,000/year.

More information will follow on this subject as it develops.

Firefighter of the Year

By unanimous decision, Firefighter/Paramedic Josh Johnson was elected by District firefighters as “Firefighter of the Year.” Johnson has been active at the District, i.e., Firewise, mitigation for wildland fires in the community, and piloting ImageTrend software, medical software for patient care reporting. Johnson will be honored on March 10, 2020, by the Fountain Hills Rotary Club in Fountain Hills.

Fire Marshal Report

Chris Cavanaugh reported the following for the month of January 2020:

Permits issued:

January	2020	2019
Sprinklers	3	5
Propane Tanks	2	4
Others	0	0
YTD (All Types)	5	9

Other Prevention Activity (September)	
Sprinkler Plan Review	1
Propane Plan Review	2
Total Inspections (Fire Marshal and Inspectors)	43

January was the first month that the ImageTrend platform was used, with Josh Johnson as the primary programmer. Fire data is now being imported directly from Mesa Dispatch into the software program, and EMS information will begin to import on March 1, 2020.

Chris Cavanaugh also reviewed the District's activity and average response times for January 2020:

Call Type	Response Time
In-District EMS	4:09
South District/North District EMS Response Time (Avg)	4:02/7:22
Out-of-District EMS Non-Corridor (Fountain Hills, Fort McDowell)	11:17
Out-of-District EMS Corridor	N/A
In-District Non-Emergency	6:56

Call Type	# Occurrences	
	January 2020	December 2019
EMS In-District Calls	28	18
EMS Out-of-District Calls (Non-corridor)	1	1
EMS Out-of-District Calls (Corridor)	0	0
Non-EMS In-District	22	11
Transports	18	18
• Out of District Transports	1	1
Outside Rescue Used Within District	1	0
Fire-related Calls*	3	1

BP/Information Services	6	35
Station Tours/Walk-in First Aid	1	8
Child Seat Install	0	2

- 1 Electric panel short (fire out on arrival), 1 smoke detector, and 1 propane tank issue

Commissioner Sewell recommended that the District include an article in the Community newsletters about snake activity.

XII. ADMINISTRATIVE MANAGER’S REPORT

Administrative Manager Jennifer Jacobe has billed a total of \$212,744.08 this season for wildland fires, all of which have been paid in full.

A clarification to Management Policy 103.08 (Vacation Leave) was revised for clarification purposes only. Minor changes were made to the wording, and a table was included explaining the policy specifics.

XIII. BOARD COMMENTS

- Commissioner Sewell remarked on the professionalism of the presentation by Strategy 360.
- Commissioner Fickes informed the Board that he would be leaving the Rio Verde Fire District Board, mostly likely in April and requested that his title of “Clerk” be removed in March. He offered to remain on the PSPRS Local Board until a later date to try to assure that all due pension rollover time is received and that all eligible funds have come to the District.

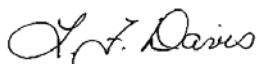
XIV. CHAIRPERSON COMMENTS

Chairperson Kattermann thanked Commissioner Fickes for his 19+ years of service on the Rio Verde Fire District Board. Fickes responded that he has enjoyed all aspects of his service, especially knowing our great firefighters.

XV. ADJOURNMENT

Commissioner Finney moved that the meeting adjourn at 10:38 a.m. That motion was seconded by Commissioner Sewell and passed unanimously.

Respectfully submitted,



Libby Floyd Davis
My Personal Secretary
(From Voice Recording)