



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

**March 25, 2019**

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## **MINUTES OF THE RIO VERDE FIRE DISTRICT BOARD OF DIRECTORS GENERAL SESSION**

**March 25, 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

### **I. CALL TO ORDER**

The Monday, March 25, 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. APPROVAL OF MINUTES

February 25, 2019, General Session

**Commissioner Fickes moved the approval of the February 25, 2019, General Session minutes as presented. That motion was seconded by Commissioner Finney and passed unanimously.**

## VII. CLERK'S REPORT

### Future Meetings

Commissioner Fickes listed the following meeting dates:

- Monday, April 29, 2019 – 9 a.m.
- Monday, May 20, 2019 – 9 a.m.
- Monday, June 24, 2019 – 9 a.m.

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

Commissioner Bowin will not be in attendance for the April 29, 2019, meeting.

### PSPRS Local Board Contribution Recommendation

Chairperson Kattermann moved that the District create a pension budget item in the amount of not less than \$426,340.71, possibly higher, plus the amount for premium tax, plus payment of 401(A) required rates for Tiers 2 and 3.

Upon requests of other Board members, Kattermann withdrew the motion, and action was deferred until the budget discussion later in the meeting.

### Funding Policy

Chief Ducote reviewed that Arizona's Governor Ducey signed legislation that by July 1, 2019, all fire district websites must publish certain information on its portion of the unfunded pension liability, including a payoff date. Rio Verde Fire District is scheduled currently to pay off in 2036.

The template used by the AZ PSPRS entitled "Rio Verde Fire District Public Safety Personnel Retirement System Tier 1 & 2 Pension Funding Policy" was discussed. Board members expressed the opinion that parts of the policy were unclear and could be misunderstood by residents reviewing it from the District's website.

Revisions were made to the document presented.

**Commissioner Fickes then moved that the District approve the Rio Verde Public Safety Personnel Retirement System Tier 1 and 2 Pension Funding Policy as amended by the RVFD. The motion was seconded and passed unanimously.**

## VIII. Financial Reports

Commissioner Bowin advised the Board that both the January and February financials had been received from the Maricopa County Treasurer's Department:

Financial Report – January 2019	
Revenue	\$101,493.84
Expenses	\$304,320.08
Other Income (Expense)	(\$275,960.00)
Net Income (Loss)	(\$478,786.24)
Transfers to/from Capital Fund	(\$275,000.00)
Adjusted Net Income	(\$203,786.24)
Monthly Budgeted Net Income (Loss)	(\$175,869.93)
YTD Actual Net Income (Loss)	\$458,924.62
Borrowing from Capital Fund	-0-
YTD Adjusted Net Income	\$458,924.62
YTD Budgeted Net Income	\$415,527.25
General Fund Operating Cash	\$528,445.83
Capital Fund Cash	\$1,019,733.81
Capital Fund Advances to General Fund	-0-
Capital Fund Equity	\$1,019,733.81

January highlights were as follows:

- \$275,000 was transferred from the General Fund to the Capital Fund, resulting in a zero balance in the Capital Fund Advances to the General Fund Account.
- The capital lease payment (P & I) on the engine was made during January.

**Commissioner Bowin moved that the Board accept the January 2019 Financial Report. That motion was seconded by Commissioner Finney and passed unanimously.**

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

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

<b>Financial Report – February 2019</b>	
Revenue	\$147,888.67
Expenses	\$212,412.91
Other Income (Expense)	\$400.00
Net Income (Loss)	(\$64,124.24)
Transfers to/from Capital Fund	-0-
Adjusted Net Income	(\$64,124.24)
Monthly Budgeted Net Income (Loss)	(\$110,537.48)
YTD Actual Net Income (Loss)	\$394,800.38
Borrowing from Capital Fund	-0-
YTD Adjusted Net Income	\$394,800.38
YTD Budgeted Net Income	\$304,989.77
General Fund Operating Cash	\$452,313.00
Capital Fund Cash	\$1,019,733.81
Capital Fund Advances to General Fund	-0-
Capital Fund Equity	\$1,019,733.81

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

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

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

There was no need for a motion to transfer funds from the Capital Fund to the General Fund.

#### **IX. DISCUSSION OF STRATEGIC PLAN PRIOR TO POTENTIAL MARCH APPROVAL**

Chief Ducote informed the Board that he, Commissioner Bowin, and Commissioner Sewell created (with public input) an initial strategic plan for the years 2020 – 2025. Brief discussion was held.

**Commissioner Fickes moved that the Board approve the draft of that strategic plan for the years 2020 - 2025 as submitted. That motion was seconded by Commissioner Sewell and passed unanimously.**

#### **X. APPROVAL OF NEW ORGANIZATIONAL CHART**

Chief Ducote presented a draft of the new organizational chart, effective May 1, 2019, the day after Deputy Chief Eric Merrill's retirement.

**Commissioner Sewell moved that the organizational chart be approved as presented. That motion was seconded by Commissioner Finney and passed unanimously.**

## **XI. DISCUSSION ON NEW DIESEL MOTOR FOR BACKUP AMBULANCE**

Chief Ducote advised the Board that the Fort McDowell Yavapai Indian Community recently purchased two new ambulances and was willing to sell the RVFD a 2010 Frontline (requiring a new diesel engine), large-box ambulance for \$1. Deputy Chief Merrill indicated that the ambulance was purchased and could be fully operational (rebuilt engine, decals, gurney/cabinet prep, towing, and warranty) for approximately \$17,753, a capital expense. A new similar 2010 large box ambulance would cost approximately \$150,000 - \$175,000.

The current backup ambulance (1995) has over 400,000 miles, a smaller box, and an uncomfortable ride. Income from the sale of this unit could be between \$5,000 and \$10,000.

**Commissioner Finney moved that the Board approve the purchase bid for a rebuilt engine (with a two-year warranty) for the new backup ambulance from San Tan Ford in the amount of \$15,053.32. With decals, gurney/cabinet prep, and towing, the outlay would be approximately \$17,753. The motion was seconded by Commissioner Bowin and passed unanimously.**

Deputy Chief Eric Merrill discussed the ABS problems with the new ambulance, caused by a wiring harness, noting that it would be repaired and returned within a week. Upon return, it will be inspected to assure the problems would not reoccur.

## **XII. AMBULANCE BILLING WRITE-OFFS**

Deputy Chief Merrill noted that the latest Intermedix uncollectable billing report had been received, and noted that none of the charges (some charges going back to 2017) were for local residents. It was discussed that the write-off amount was gross and that Medicare would have reduced over half of the charges anyway.

It was also noted that when the District uses an outside transport, that transport station handles the service billing.

**Commissioner Bowin moved that the Board approve the ambulance write-offs as submitted. That motion was seconded by Commissioner Fickes and passed unanimously.**

## **XIII. BUDGET WORKSHEET FY 2019/2020**

Commissioner Bowin thanked the Board and staff for reviewing the budget in the March meeting in order to accommodate his absence at the April meeting.

**Commissioner Fickes moved that the PSPRS Total Regular Contribution (line #5341 on the proposed budget) should be \$426,340.71, plus the 401(a) match. That motion was seconded by Commissioner Sewell and passed unanimously.**

Commissioner Fickes stated that the RVFD PSPRS local pension is underfunded by approximately \$2,700,000. This debt is, in part, due to the fact that assumed interest rates were higher than the actual amount received. At one time, rates were assumed at 9% but were

actually much lower, thus resulting in shortfalls in earnings. The amount of this difference needs to be paid as an additional pension contribution yearly. Another aspect of the debt is due to investment smoothing, an effort to lower the annual pension liability, not the resulting loss. Many other reasons for the debt have been reviewed in the past. Fickes reiterated the fact that each year the pension contribution must be boosted for the sake of pension stability because of faulty assumptions. This is true of most states. Rio Verde Fire District, while not fully funded, is in better shape than many of the covered entities.

The Hall-Parker case (DROP employees) interest has not yet been calculated by the AZ PSPRS, but Fickes anticipates it to be not more than \$50,000, an expense that must be paid before July 1, 2019.

Commissioner Bowin stated that because growth tax revenues are increasing (but not enough to put a transition plan in place), it is an opportunity to use excess funds as additional pension contributions.

#### **XIV: EMS SURVEY REPORT**

Commissioner Finney indicated that 14 survey responses had been received, all noting "Outstanding Service" and positive attributes. There were no negative comments, with the exception of one comment on the ambulance shocks and another on the transport time and to which hospital the patient was transported. Chief Ducote explained to the resident that the actual time was considerably less than reported and that the patient was delivered to Mayo because it is a stroke center. The patient was very understanding after having his questions answered by Chief Ducote.

#### **XV. CHIEF'S REPORT**

##### Annual HOA Presentation

Chief Ducote has been scheduled for a presentation at the Rio Verde and Trilogy HOA meetings, with a promise to be on the schedule for the Tonto Verde HOA. At these meetings, he will provide initial information regarding the additional fire station.

#### **XVI. DEPUTY CHIEF'S REPORT**

Deputy Chief Eric Merrill informed the Board that an April 10 meeting was going to be held with District staff and Mayo's head of neurosurgery on a stroke/telemedicine program for which the District will pilot test. After training on this Mayo program, en route ambulance personnel would be screen connected to the neurosurgeons who could view and ask questions of the patient. Upon arrival at Mayo, the patient would bypass the Emergency Room and proceed to their designated department (CT, MRI, Surgery). The program hastens the actual treatment time by 32 minutes. The equipment would be installed and owned by Mayo.

Per Commissioner Sewell's request, Merrill will determine the District's percentage of stroke victims (to transports) for presentation to the Board at its April meeting.

Chief Ducote noted that there was one 8-minute response time to Trilogy. These calls are entered into an exception report.

Deputy Chief Eric Merrill reviewed the District's activity and response times for February, 2019:

Call Type	Response Time	
In-District EMS (Average)	3:28	
Out-of-District EMS (Average)	17:00	
Out-of-District Corridor (Average)	16:34	
In-District Non-Emergency (Average)	3:37	
Call Type	# Occurrences	
Year	2019	2018
EMS In-District Calls	30	19
EMS Out-of-District Calls	1	1
EMS Corridor Calls	1	8
Non-EMS In-District	12	14
Transports	26	19
Out of District Transports	0	1
Outside Rescue Used Within District	0	0
Fire-related Calls*	1	4
BP/Information Services	27	29
Station Tours/Walk-in First Aid	14	2
Child Seat Install	0	10

\*1 Gas Odor

## XVII. FIRE MARSHAL'S REPORT

### Permits issued:

February	2019	2018
Sprinklers	25	22
Propane Tanks	25	20
Others	0	0
<b>YTD (All Types)</b>	<b>59</b>	<b>62</b>

### Other Prevention Activity:

Sprinkler Plan Reviews	1
Propane Plan Reviews	25
Total Inspections (Fire Marshal and Inspectors)	39

Fire Marshal Chris Cavanaugh advised that the District would soon begin hydrant flushing.



**XVIII. ADMINISTRATIVE MANAGER’S REPORT**

Wildland Fire Expense Update

Administrative Manager Jennifer Jacobs reported that no changes had been made to the wildland fire expense receivables. She will follow up on this debt.

	<b>Invoiced Amount</b>	<b>Paid Amount</b>	<b>Outstanding</b>
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
<b>INVOICED TOTALS</b>	<b>\$125,135.13</b>	<b>\$108,591.54</b>	<b>\$16,543.59*</b>

\*This amount was approved in December, but payment has been delayed.

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

**XIX. UNFINISHED BUSINESS**

Commissioner Sewell noted that the conference call instruction sheet should direct callers to Jennifer Jacobs, as opposed to Jo Lewis.

## XX. BOARD COMMENTS

There were no additional Board comments.

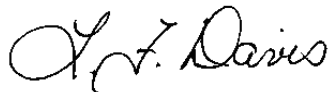
## XXI. CHAIRPERSON COMMENTS

Chairperson Kattermann expressed his delight at the receipt of up-to-date financials from the Maricopa County Treasurer's Department.

## XXII. ADJOURNMENT

**Commissioner Finney moved that the meeting adjourn at 11:16 a.m. That motion was seconded by Commissioner Fickes and passed unanimously.**

Respectfully submitted,



Libby Floyd Davis  
My Personal Secretary  
(From Voice Recording)

lfd