



Regular Board Meeting

1. CALL TO ORDER

Board Chairman Jim Timney called the Regular Board Meeting to order on Wednesday September 15, 2021, at 3:0 pm at Station 32, 8905 N Koch Field Road, Flagstaff Arizona.

2. ROLL CALL OF BOARD MEMBERS / AFFIRMATION OF QUORUM

Members Present: Board Chairman Jim Timney, Board Member Mike Milich, Board Clerk Robb Faus

Members Present: none

Via Zoom

Members Absent: Rick Parker, Jim Daskocil

Administration: Deputy Chief Mark Wilson, Deputy Chief Pat Staskey, Administrative Officer Deanna Reed, Battalion Chief Torsten Palm, Fire Chief Mark Gaillard

Public: Alan Kester

Public Via Zoom: Station 33, Station 37, Deputy City Manager Shannon Anderson, Randy Black, BJ Fisk, Jason Maynard, Cody Glazener, James DeGolier, Bryan Lundberg Stifel, Omar Daghestanio, Stifel and Paul Gales, Greenberg Traurig

3. PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA-Recited

4. CALL TO THE PUBLIC-None

5. CONSENT AGENDA

- Approval of Reconciliations and Financial Reports for August 2021
- Discussion and Approval of the Workshop/ Regular Board Meeting Minutes of August 18, 2021

Administrative Officer Reed presented to the financial packet and asked if there were any corrections to be made on the meeting minutes.

Discussion: None

Board Member Chairman Timney motioned to approve the Financial Reports for August 2021 and the Regular Board Meeting Minutes of August 18, 2021. Board Clerk Faus seconded the motion.

Vote conducted. MOTION CARRIED unanimously in person.

AYES: Timney, Faus, Milich

NAYES: None

6. Current Events Summaries, Reports, and/or Correspondence

a. Monthly Run Report – Battalion Chief Torsten Palm

- Presented total number of calls for August 2021. Current Events was that the Labor Day weekend was busy with an ATV crash in the Cinders that required the patient to be flown out of the Cinders. Semi accident on Hwy 89 near MP 205-08 that resulted in extended extrication time, however the outcomes were good.

b. Monthly Chief Updates

- Chief Gaillard: There was an 1/8-acre fire call last night west of forest service road and south of Eldon Spring Road on forest service property. Residents were able to see the fire. The forest service attended the fire early afternoon. However, the residents were concerned that it was still burning, and no one was watching it. Chief Oltrogge is talking to the Forest Service as well as answering questions from the residents. You may hear concerns from our Residents regarding this, Chief Palm went out to this area and started conversations with the residents.
- Conducting 18 interviews this week.
- Deputy Chief Wilson: Special kudos to Administrative Officer for doing double duty as we are aware that there was a lot of documentation involved with the Certificates of Participation process. We have been doing a lot of administrative paperwork. Budget is online as to where we participated it and it was not luck, but due to the team efforts.
- Deputy Chief Staskey: I'm going to go with the big three.
 - Nationally it was the 20th year for 911 over the weekend, there was a ceremony that included our GFR, Highlands, Summit, Guardian Honor Guards. They did a great job.
 - State Level: Summit sent two firefighters to the State Fire School last week. BC Palm said they took intermediate fire classes and came back with a lot of ideas. It was a great value to us that they attended.
 - Local: Last board meeting we sent an engine out and it has returned. We just sent a Joint Medical team to a wildland call out.

c. Local 1505 Update

- Jake McQuaid: City made \$28,00 combined with Summit for a total of \$30,000 for the local 505 charities.

7. NEW BUSINESS / ACTION ITEMS - Public Comment:

- a. Review, discuss and possible action regarding an update on training costs

DISCUSSION:

Board Chairman Timney: Shannon, we are glad you can join us. I understand there have been some communications which I have not been receiving due to a glitch with my electronics. I apologize that I did not receive them.

Deputy City Manager Anderson: I would like to facilitate an open discussion with the Board regarding the City of Flagstaff reimbursing SFMD for training costs. Are there any questions before I proceed?

Board Chairman Timney: There has not been any additional discussion with the Board, maybe we should put together a citizen committee with representation from both the District and the City to review the financial impacts. I'm not sure if Highlands would be interested in this or not. The Board feels that every time we lose a Firefighter to the City, we spent the money on training that firefighter and we have to pay money for training his replacement. We feel it is not good for our budget to be continually training for other agencies. If the City of Flagstaff can help us out on this as they are receiving an experience firefighter, it is not costing them any more than if they put them through the Academy. What they are gaining is an experience Firefighter with experience is a big plus. We need to have further in-depth discussions.

Deputy City Manager Anderson: Mr. Chairman, we at the City have taken your request very seriously. We have experience this as well with our Flagstaff Police Department, so we know what it is like to pay for someone to go through the Academy and train them, then lose them to another agency. Since we did not have the opportunities to reach out to the other agencies, we developed a training agreement that covers the cost of the Academy as well as the on-the-job training and if that employee decides not to stay with our agency for at least three years, he will be asked to repay a portion of his training costs for the training of his replacement. It has been effective to have an arrangement with the employee to off set these costs involved in replacement. We are not able to provide reimbursement to Summit for costs to train a replacement.

Board Chairman Timney: Does anyone want to weigh in on this? Thoughts?

Board Clerk Faus: I appreciate the place you are coming from with some sort of compensatory mechanism. Is this something you could share with us so we can take a look at it comparatively? I would like to start there.

Deputy City Manager Anderson: yes

Board Chairman Timney: Lets see if we can get that through the chief officer and set down with them.

Deputy City Manager Anderson, I will certainly get it to Chief Wilson and will certainly be available to answer any questions regarding implementation of the process.

Board Clerk Faus: No matter what agency they belong to whether PD, Corrections, Fire. Does everyone sign this?

Deputy City Manager Anderson: We currently only have the Police Department employees sign this as that is where we had experienced a significant amount of turnover.

Board Clerk Faus: Do you seen them going to a particular agency or is it all over the board?

Deputy City Manager Anderson: It is a variety of agencies even some out of the state, but before implementing this policy we were seeing many going to Peoria / Tempe areas.

Board Chairman Timney: Thank you for being here and sharing your thoughts.

b. Discussion and possible action on Stifel Presentation on PSPRS Certificate of Participation

DISCUSSION:

Bryan Lundberg: These slides will give you feel for the major documents, and steps needed for the Certificate of Participation. Recommended options from the Board.

Paul Gales: Explained the need for a Ground Lease documents, Lease-Purchase Agreement and then the agreement with a Trustee to hold the lease and provide the funds to PSPRS and Contingency Fund.

Bryan Lundberg: This is the same structure the Board has seen for the Bond Election. He explained to the Board, the District's insured properties and which properties are needed for the COP. Two steps to past for S&P, the first step is how essential the property is to your organization and does the properties have enough value. Properties included for the 50% of the requirements are Station 33, Station 31 and 37.

Major Steps for the Board and Financial Teams to establish the Certificates of Participation were explained.

Omar Daghestanio: Reports received are data received from PSPRS, when looking at unfunded liability, they do a timing adjustment in order to get as close to penny as possible. Explanations regarding known and unknown actuaries. Scenario 1 structure uses a contingency reserve fund and how this option of a straight-line debt and explained the savings throughout the years. Scenario 2 is the basically the same , however paying it off earlier, however the savings do not show until later. The plus for this scenario is that it is paid off earlier. This is the shortest and conservative type of structure.

Deputy Chief Wilson: We would like to know the Board's preference on these options. Option one is a smoother for us with our budget and it will keep us on track with our contract with PSPRS to pay off our debt in 20 years with 17 years remaining. The advantage is that it will account for those spikes in the unfunded liability. Our budget planning is leaning toward option 1, however we can adjust according to the Board's recommendations.

Board Clerk Faus: Do you feel that scenario two would be uncomfortable?

Deputy Chief Wilson: Given the current circumstances with a lot of variables around the Eastside Restructure, this possibility would provide a budget pinch.

Board Clerk Faus: Scenario one is the safer option.

Deputy Chief Wilson: It could, it will save us money. I would certainly lean on Bryan and his team as they are the experts as well.

Brian Lundberg: The investor typically requires 9-10 years of call-in protection and after this time frame the Board may semiannually call on these bonds so in 2031 if you can afford a higher payment, you can and then shorten the amortization.

Board Chairman Timney: That can be done with either option?

Brian Lundberg: Yes, if you're thinking about doing scenario one now; then after 9-10 years, you can decide to do something else to create a higher payment.

Omar Daghestanio: I would lean with scenario one from what I know about the district and depending on cash flow and economic, you can certainly pay it off quicker. Unless you have a secure future, I would suggest scenario two and pay your debt off early. From a rating perspective scenario, one has better ratings.

Board Chairman Timney: Option one meets our obligation within the 20-year plan, that is the better option for us. It has an option to pay off earlier after 10 years. I am leaning it to be the best option. I would recommend option one.

Board Member Milich: I agree

Board Clerk Faus: Are there any penalties for accelerated payments during a specified time?

Bryan Lundberg: They cannot be called for 10 years and 2031 is the first year you make a higher payment. It doesn't mean you can't set aside cash with the trustee or internally for a higher payment and then once you hit the 10-year mark, you will have the funds to call in bonds.

Deputy Chief Wilson: Once this has been implemented our PSPRS unfunded liability will be paid off in November. So instead of paying the State the higher rate for the next 17 years, we will have a fixed rate.

Board Member Milich: On page 8 talking about the team members, who is going to review the documents on our behalf?

Paul Gales: The Board will have someone to represent the District on the financials and resolutions. His firm prepares all the documents, and he will present them to the District.

Deputy Chief Wilson: Paul do you recall who you worked with when Highlands did their Certificates of Participation?

Paul Gales: I just confirmed it was Mark Brynes from Coconino County Attorney Office.

Board Chairman Timney: Direction from the consensus is to go for option 1.

Bryan Lundberg: For your information regarding the disclosure by amended budget, CAFMA's Counsel recommended a resolution regarding the disclosure of funds instead of an amended budget. It would be separate line item in the special meeting to approve this resolution disclosure. Do you have any objections to this Paul?

Paul Gales: Their private attorney suggested this, and it was ok.

Deputy Chief Wilson: We are recommending following the CAFMA model so on the 28 of September, the Board have the opportunity to focus on both resolutions by Bryan's team and Paul as attorney. We will meet with County Attorney and receive input from him as well.

Board Chairman Timney: On behalf of the Board, we thank you and look forward to seeing you at the next meeting.

Administrator Reed: Is the 28th of September a good day for a special meeting?

Board Chairman Timney, Board Clerk Faus and Board Member Milich confirmed that a Special Board Meeting on September 28, 2021, at 3:00 p.m.

- c. Review, discuss and possible action on Resolution 2021-04 repayment of Duane Deck PSPRS.

DISCUSSIONS:

Administrator Reed: You have a resolution drafted by our Attorney Mark Byrnes regarding the payback of PSPRS Funds.

Board Member Milich motioned to approve on Resolution #2021-04 PSPRS Funds payback, Board Clerk Faus seconded the motion.

Chairman Timney: Before I call for a vote, there were two people involved in this error. Are they being treated equally?

Deputy Chief Wilson: There were two people who had an error; however, the timing and methodology was different. In regard to Duane Deck's scenario, it was over a couple of pay increases over several years and a paper trail that caused legal counsel to feel like not to proceed with it. In the second scenario you referred to. This was a one-time mistake, and it was caught, and an arrangement was made with this individual. These two are very distinct although we consider them payroll errors, one was a longer time period with a paper trail and the other was a one-time deal that was caught, and a deal was made with the individual. They are both being treated fairly per their distinct scenarios.

Chairman Timney: Ok, I call for a vote.

Vote conducted. MOTION CARRIED unanimously in person

AYES: Timney, Milich, Faus,

NAYES: None

- d. Review, discuss and possible action on Policy 157 Promotion Requirements

DISCUSSIONS:

Administrator Reed explained that during a firefighter's promotion she found two compensation policies for a promotion with different percentage rates. She and Deputy Chief Wilson met with the Labor Management Team and decided that the paragraph regarding compensation did not belong with this policy. Policy 157 gives detail directions on specific tasks and education needed to be considered for a promotion. The promotion raises are also addressed in policy 503.

Deputy Chief Wilson: The paragraph highlighted stricken red is what we are requesting to remove from this policy regarding the compensation piece.

Chief Gaillard: The labor management team agreed that the compensation amount was correct in the other policy.

Board Chairman Timney made a motion to accept the changes to Policy 157 Promotion Requirements. Board Clerk Faus seconded the motion.

Vote conducted. MOTION CARRIED unanimously in person.

AYES: Timney, Milich, Faus

NAYES: None

e. Review, discuss and possible action on Policy 503 Compensation:

DISCUSSIONS:

Administrator Reed stated that this is where the agreed compensation amount should be for a promotion. Labor Management preferred the verbiage that was removed from Policy 157. Therefore, the sentence regarding the 7% increase is removed and the verbiage from Policy 157 was added with the 7% increase. Everyone agreed that the 7% is the correct amount and it is the amount that everyone has been receiving in the past.

Board member Milich made a motion to accept the changes to Policy 503 Compensation. Board Clerk Faus seconded the motion.

Vote conducted. MOTION CARRIED unanimously in person.

AYES: Timney, Milich, Faus

NAYES: None

f. Review, discuss and possible action on ESO Contract.

DISCUSSIONS:

Deputy Chief Wilson: We have been talking for about 1 ½ years about the inevitable change from a Firehouse platform that is actually depreciation out by the end of this year and was direct to this software of ESO. It was budgeted for in our annual budget. Chief Bills is the lead on this and has been working on this contract for months. We feel this contract is fair for the District. A common platform where each individual District (SFMD, Highlands and City) can pull their individual history for grants, however we are all under one umbrella where all calls are put into the same system. This will help with time management, reductions in errors and ability to transfer information. Received an email from ESO today stating the contract has to be signed today to avoid an increase. It just so happened that we have the Board Meeting today, so it was good timing. We are asking the Board to approve this budgeted ESO contract today. ESO is a parent company of Firehouse, therefore the monies paid to Firehouse will be rolled into this new contract. The carryover of incident information for a new system platform is historically a high-ticket item. They will be able to automatically push it through so we will receive it sooner. This is a very strong push forward for the District.

Chairman Timney: It should be a great push for the District without gaps. There are a lot of lined out items, therefore Chief Bills was busy. Please congratulate him for his due diligence.

Board member Milich made a motion to accept the changes to Policy 503 Compensation Board Clerk Faus seconded the motion.

Vote conducted. MOTION CARRIED unanimously in person.

AYES: Timney, Milich, Faus

NAYES: None

g. Review, discuss and possible action on Eastside Restructure Operational Pilot

DISCUSSION:

Deputy Chief Wilson: We will present some of the fiscal responsibilities of the Eastside Restructure that was presented in last month's Work Session. We are looking at a nine-month window to set up some pilots and criteria. We will have reports to the Board with recommendations however we would not be ready to implement option 4 until the next fiscal year. From the Workshop in August 2021 the fire board recommended two goals.

- o Fiscally Sustainable with a competitive employee compensation plan and benefit package along with capital replacement planning.
- o 3-person ALS engine and 1 B.C 24/7

Explained the fiscal dated of a full burden firefighter position and the savings from 42 personnel to 36 personnel. If approved of this pilot, the MOU with labor would need to be amended.

Logistic wise, we would see a cost benefit savings in utilities, fuel, apparatus wear and tear and other maintenance costs. This would not include things like repair the roof as we will maintain the buildings. We will have an additional type 1 as a better reserve and additional wildland unit for callout without pulling one from the front line. It will allow for fiscal savings to build the capital account quicker. Assist with Option 4c of a new central station by the possibility of selling one station.

BC Fennell presented data regarding times when Station 33 went into code 3 alarms in Station 32 area and vice versa for the past 5 years. Operational goals are a constant 3 person staffing at stations 31 and 37. Monthly rotation plan for 3 personnel/ALS staff engine. Benchmarks for this program will be monthly reports to the Board regarding number of Code 3, Charlie & Delta calls with response times. A consultant study to be completed. EMS vs all risks as EMS is the number one user of the system. Look at overtime between this year and last year per month.

Deputy Chief Wilson: Presented a timeline stating that we are ready to start this tomorrow with Board approval. All the data will be real time; however, the consultant will pull the historical data for the long-term review. We want important information to present to the public. The goal is to have a March window to have decision from the board to develop a budget. The nine-month window is that if the board does not want to approve the restructure, then we have to hire for the July academy.

Chief Gaillard thanked all the staff, labor, and management to bring this pilot together. We want to protect the Board with good data. If the Board wants a time out at any time that is ok, however the team is ready.

Deputy Chief Staskey stated that all the on-duty crews were briefed on this restructure so they are aware so if the Board approves and the pilot starts tomorrow, there will be no surprises.

Board Member Milich asked if they were all in favor of it.

g. Review, and discuss and possible action on new Redemption Counseling Contract.

DISCUSSIONS.

B.C. Fennell gave the history of our counseling program and the reason for to change the contract to include family members. Reviewed the terminology and how we are going to remain confidential and still track the use by family members.

Chief Gaillard: Is there any additional financing involved with this change?

B.C. Fennell: This is budgeted for this year as well it has been in previous budgets. This is why we are tracking the use.

Board Chairman Timney: It states training for additional sessions?

B.C. Fennell: What the training sessions are; Redemption counselors come to our annual physical for each shift and based on comments received; they return and train the crews how to deal with these issues.

Board member Milich made a motion to accept the Redemption Counseling contract; Board Clerk Faus seconded the motion.

Vote conducted. MOTION CARRIED unanimously in person.

AYES: Timney, Milich, Faus

NAYES: None

8.

FIRE BOARD COMMENTS-none

Board Chairman motioned to adjourn meeting; Board Member Milich seconded the motion.

Vote conducted. MOTION CARRIED unanimously in person and online

AYES: Timney, Milich, Faus, Parker

NAYES: None

Board Meeting Adjourned at 5:12 p.m.



Board Clerk

Date

BC Fennell: The vast majority supports this plan. They are ready to go tomorrow, however if the Board want to push back the date of implementation the staff is ready either way.

Board Clerk Faus: Can you explain the outside consultant?

Chief Gaillard: The City of Flagstaff is working with a consultant to look at the cities station's locations and part of the contract had the consultant to look at the data to determine which station will be appropriate when combining or would it be better to place a new station and where would be the appropriate site.

Board Chairman Timney: I like the plan and it was very planned out. I have been out there on a scene and being shorthanded. The only problem is the public reflection on this plan. For the fiscal responsibilities and the manpower this is what it takes to achieve the goals. Weary on how the public will be receive it.

Board Member Milch: What do you think is progress is for them?

Board Chairman Timney: I don't know until it hits them in the face. Its not progress until they see a backhoe. We have to be careful with the PR on this project.

Chief Gaillard: We will have to raise the taxes is an option, however, our Board goal is to not raise taxes should be something to share with the community.

Board Chairman Timney: Implementation during the 9-month period, will it sustain us, so we do not have to increase taxes due to loss of commercial revenue.

Chief Gaillard: We are not even recommending an increase in the mil rate unless we are directed by the Board. Our direction from the Board is not to increase the mil rate.

Board Chairman Timney: Is there an option of a 4-man engine.

Chief Gaillard: Slim to none.

BC Palm: With the staff model of 36-39, if everyone is here, statistically, we would have two stations with 4-man engines.

Board Chairman Timney motioned to approve Eastside Restructure Operational Pilot ;
Board Member Milich seconded the motion.

Vote conducted. MOTION CARRIED unanimously in person.

AYES: Timney, Milich, Faus

NAYES: None

Deputy Chief Wilson stated that one other item we wanted to share with the Board is talking points. We waited for approval before presenting this to you. There will be an opportunity for us to discuss with the public and number one as Chief stated is that we will remain mission focused. Number two the fiscal responsibility to reduce our footprint then we can keep our current mil rate.

B.C. Fennel: Number 3 is operational with a three-person ALS engine to increase efficiency and safety.