



## Budget Workshop

### 1. Budget Workshop

Board Chairman Jim Timney called the Workshop to order on Wednesday January 19, 2022, 3:10 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 and Board Member Rick Parker

Members Present via Zoom: None

Members Absent: Board Member Jim Duskocil, Board Clerk Robb Faus

Administration: Deputy Chief Mark Wilson, Deputy Chief Pat Staskey, Administrative Officer Deanna Reed, Battalion Chief Chris Fennell

Public: Norm Erickson, Keith Klassen, Tim Steffen

Public Via Zoom: Chief Mark Gaillard, Cody Glazener

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

### 4. REVIEW AND DISCUSS FIRE BOARD GOALS, POLICIES, REALITY AND EXPECTATIONS

- Chief Gaillard: Thank you to the Fire Board and Administration for putting this together, there are a lot of moving parts with this year's budget to include Eastside Restructure, increases in Workers Compensation due to new legislation, and higher inflations rates. We are not asking for any decisions today just an overview of this past budget year.
- Deputy Chief Mark Wilson: We are seeing lots of variables in the community, state, and the national. Some known changes and many unknown changes and how they will affect the next Fiscal year budget. Thanks to the Fire Board for doing an amazing job supporting the department and to providing the best service level to the community we can provide fiscally. Deputy Chief Wilson reviewed the budget timeline. In March we will review our 5 years projections with two different options, with and without the Eastside Restructure. At this meeting we will need direction from the Board as to the Eastside Restructure because in April we need to present a Chief's budget. March will be the public meeting on the Eastside Restructure. Review of the Fire Board Primary Goals and this fiscal year's accomplishments with each of the four goals. Presentation of our new 18 months strategic plan . Planning to reboot the strategic plan in 2023 to a five year plan. Presented policies that are reviewed on an annual basis, no changes were noted on policies 502, 503, and 504. There were changes made to policy 505 as it relates to our plan for PSPRS unfunded liability and since we have initiated the Certificates of Participation our unfunded liability is paid in full. The section regarding the board goals for repayment were removed from the policy. On the Road Ahead-presented were the budgetary realities that need to be address in both human and capital to meet Fire Board goals. Known increases known today however, there will be more as you know as we begin this budgetary process. There will be an 80-90% increase in worker compensation due to legislative laws to change to go back to 15 years of assumed liability for all present and retired

firefighters for cancer treatment claims. Behavioral health costs have increased due to the TIGER ACT where the department is responsible for 36 visits for a qualifying event. Increase in payment on COP loan is known as we knew it would not stable until years 4-5 of the loan. SFMD is leading the pack on behavioral health, however, there is a price tag. Inflationary costs vary month to month, however for the past 4 months we have seen 8% inflationary costs. Eastside restructure has saved us on the overtime expenses as well as increase inflation rate.

The sales tax initiative is gathering signatures and if successful will be on the November ballot to give sales tax dollars to Fire Districts. If passes what this means to the District is protentional revenue fund. We cannot put it on our next budget year. There is an unknown amount of Prop 207 funds that will be received twice a year but is unknown as to whether or not it will be enough to cover the increases in worker's compensation or behavioral health. It is based on the sales of marijuana, and they can fluctuate. This year we received approximately \$70,000 which was place in our capital fund. Call out funding, we had a good year. Typically, we set a budget of \$400-\$500K per year, this year we set a budget of \$100,000 revenue, anything we make over this is unfunded revenue. Possible increase in mill rate to 3.50 as the cap has moved. We want you to understand the decline. We are not worried about what is around the corner, we want to set realistic fiscal means to provide human and capital needs as well as services to the community. Are there any comments, questions, or directions as we move into our next preparatory budget workshop?

Board Chairman Timney: Is there enough funds in the Prop 207 to cover the increase costs in worker's compensation, behavioral health, and inflation?

Chief Wilson: Will Prop 207 cover the increases? Possible, but we only received two checks and do not know what the year holds, every year can vary as it is based on sales. Right now, what we have received so far it is just under of what we need to cover the increase costs to worker's compensation. We are to receive two checks a year, what nobody knows until we see a year to two of this of a consistent dollar amount, we can anticipate and right now we have extreme variables. Would it allow us with our current mill rate to cover all of these? Eastside restructure project has \$350K to \$400K real dollars to help us out. We could do but there are other things that would need to be added to it.

Chief Gaillard: We want to assure the Board that we are optimistic that some of these other sources of revenue is going to be rigorously pursue by the Chief's Association.

Board Member Parker: New commercial properties being annex to the City that are near the District lines. This could be detrimental to the District as we do not have a lot of commercial properties within our District.

Chief Wilson: We don't have any control; it is the request of the developer, and we have to wait to see how this plays out in the next 2-3 months.

Board Member Parker: What is the advantage of the developer to annex into the City?

Chief Wilson: A lot of it is infrastructure for their own water and sewer so they don't have to deal with these logistical impacts. This was the primary focus of the developer.

Board Member Parker: Concern that if they annex this, then they may start leapfrog it and all other property on both sides of the road to annex into the City.

Chief Wilson: The goods news is that our commercial property tax rate is a sliver of the pot, 90% of our tax rates are residential.

Board Member Parker: Do we have any input to discourage the City from annexation of the 89 corridors.

Chief Gaillard: Isolated areas along 89 that are not in the District and City that could be developed. As far as the City goes, they are not very aggressive on the annexation business. I don't think this is going to have loss of revenue for us, the city has a lot of higher standards to minimum wage and development of properties that impact the cost to develop.

Board Chairman Timney: I've talked to many property owners who are not in the city or district, and they do not want to annex into either.

Deputy Chief Wilson: Regarding the budget workshop are there any comments, directions or suggested as we move forward?

Discussion from the Board: none

**5. Adjourn Budget Workshop**

Board Member Parker made a motion to adjourn the Budget workshop and Board Member Milich seconded.

Vote conducted. MOTION CARRIED unanimously by those present.

AYES: Timney, Milich, Parker

NAYES: None

**REGULAR BOARD MEETING**

**6. CALL TO ORDER**

**7. ROLL CALL OF BOARD MEMBERS/AFFIRMATION OF QUORUM**

**8. CALL TO THE PUBLIC**

- Tim Steffan, 11600 Homestead Lane: We had three stations out here for 30 years, they have been staffed for 30 years, they weren't staffed with 3 guys for all 30 years, some weren't staff with 2 guys, but we still had 3 stations for 30 years that are 5 miles apart and laid out really well. For the last 30 years I can say we bumped our service up not for the lack of incurred costs like salaries and PSPRS. My only point is that we had always had three stations, and this is not a bump in the road, but a mountain in the road for the people in the area most like to be closed in my opinion most likely 33. I think there would be more comfort if we knew what was going to happen to that station out there and if the idea is to staff. Three stations are ideal for out here. My concern is the future if you don't have the money and have to do it that's life, I get it as it costs a lot more now than it did then. I just want to throw that out there one more time, I just had to say it for myself. Thank you.

**9. CONSENT AGENDA**

- Discussion and Approval of the Regular Board Meeting Minutes of December 15, 2021. Administrative Officer Reed asked if there were any questions or comments regarding last month's minutes as presented in their board packet/

Discussion: None

Board Member Parker motioned to approve Regular Board Meeting Minutes of December 15, 2021. Board Member Milich seconded the motion.

Vote conducted. MOTION CARRIED unanimously by those present.

AYES: Timney, Milich, Parker

NAYES: None

- Review, discuss and approval of the December 2021 financial report. Administrative Officer Reed presented the financials for the month of December with highlights on how the revenue and income are starting to balance out and will continue this trend until we receive our last property tax hike in April 2022. Overtime is the lowest since December 2019. Are there any questions regarding the financials presented?

Board Member Milich motioned to approve December 2021 Financials. Board Member Parker seconded the motion.

Vote conducted. MOTION CARRIED unanimously by those present.

AYES: Timney, Milich, Parker

NAYES: None

## 10. Current Events Summaries, Reports, and/or Correspondence

- b. Monthly Run Report-BC Fennell presented the Run Report numbers for the month of December. Call volume for the year has increased by 30 calls. We experienced the first winter storm with drivers learning how to drive in the snow. Our response times were good. We have a new intern from NAU who is doing a study regarding fitness, nutrition, and flexibility for new recruits. Board Chairman asked if we could do a breakdown of calls like we do for station 37 for the east side?  
Deputy Chief Staskey: Yes, we can do this.

### Monthly Chief Updates

Chief Gaillard-Teams are tasked on both side due to the new COVID surge. Thank you to labor for getting the staffing complete.

Deputy Chief Wilson: Annexation of Tall Pines update, the developer has agreed to sign an out of district contract for the whole project until it is completed. We are working on the contract with Mike Palmer the developer. Our mailouts to the community regarding the eastside restructure and being printed and should be in mailboxes the first week in February. Cradle points are being enhanced with current hardware to be able to use the 5G network. This should increase pick up from towers 3 times faster. Hardware has been ordered for this enhancement.

Chairman Timney: Is Pinewood on the same dispatch system?

Deputy Chief Wilson: They dispatch their own transports. Yes, it is better to have one stop dispatch however, they are independent.

Deputy Chief Staskey: GFR academy is finishing on Friday. Captain Mike Allen will return to shift. ESO software went live yesterday, please wait awhile before asking staff how they like it.

### Local 1505 Update-Casey Robinson

Captain Jameson completed the Christmas families shopping. The Union is working with the State to gather signatures legislation to pass for sales tax funds for the Fire Districts. There is a huge push from the labor to get this passed. He has heard of a few hiccups regarding the eastside restructure but overall, it is working very well and there is a Union meeting tomorrow to work on our top 5.

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## 11. NEW BUSINESS / ACTION ITEMS - Public Comment:

- a. Review, discuss and possible action regarding a bonus of all personnel.  
Deputy Chief Wilson presented an unfunded, unbudgeted revenue report to support a \$1350 bonus to be paid to all employees on their February 17, 2022, paycheck. This is a total of \$55,350.  
Board Member Milich asked how did we produce this amount?  
Deputy Chief Wilson: What we wanted is across the board to give all employees roughly a 2.5% increase that was our target. We looked at was the revenue that we had based on capital, tier1 &2 expenses for the remainder of the fiscal year and found we had about \$55,00-\$60,000 we could use for employee bonus that were unfunded , unbudgeted revenue to use .  
Board Member Timney: After everything that has happened to the boys with COVID and all it is warranted to support with no questions asked to approve this bonus.  
Board Member Milich and Parker agreed.

Board Chairman Timney made a motion to give all Summit Fire and Medical District employees who are actively employed on February 1, 2022, a one-time bonus of \$1350.00 on their February 17, 2022, paycheck. Board Member Milich second the motion.

Discussion: None

Vote conducted. MOTION CARRIED unanimously by those present.

AYES: Timney, Milich, Parker

NAYES: None

- b. Review, discuss and possible action regarding Eastside Restructure Pilot Program.  
Deputy Chief Staskey presented the call volume through January 14 regarding average times, and locations. Average times were 7 minutes and 39 seconds slightly higher due to winter driving conditions and us seeing more calls in the outer part of the district . We will move back to station 33 in February. Pin map as to where the locations of the calls. There was a request for copies of the information by the fire board and public. Copies were made and distributed. Information is also located on our website.

Administrative Officer gave a three year look at personnel expenses and overall expenses. We are seeing the majority of our savings in the personnel costs as was projected at the beginning of this project. Reduction in overtime and PSPRS savings to stop our bleed from last year's overtime. Expenses are variable due to spending trends and inflations numbers.

Chief Wilson: You will start to see this numbers to go down as we are starting to see the savings from attrition of 4 vacancies. Expenses are up and down and we not seeing a whole lot of savings in this Pilot, the savings in the eastside restructure pilot are in personnel costs and that is why these charts are valuable.

#### CALL TO The Public

Keith Klassen: Last month I asked for a map in terms of the 5 mile distance from the station and you stated your consultant was doing that and is your consultant on board and where is he?

Chief Gaillard: Our consultant is completing his review; he will have a report for the staff to review and it will be presented at the next board meeting

Tim Steffan: Have the response time been constantly shorter from 33 to 32 than 32 to 33?

Deputy Chief Staskey: At the start of the pilot project response time from 33 to 32 were shorter however station 32 are starting to get calls that do not happen every day in the outer portion of station 33 and those response times increased.

Tim Steffan: I am sure it has to do with the highway being right there. This consultant what are they looking at because my thought is to not close any station, ok and the five mile ISO is not a humongous issue, I'm looking at and I think to close 32 honestly, for 33 is on the highway and lot

more options in responding, it's not that great to be living in, there are lot of reasons. I hope you look into that one too as part of your overall picture . I'm not sure what else you would be looking for as you have your commercials on the highway, which will have a lot more guys to response and the population increase for sure. But the numbers that are showing out there with your response times out there I'm looking that maybe it would be a better decision. I know that you're still looking at it, look at the whole thing not just one part and don't close 33.

Chief Gaillard: I appreciate the comment we are going to look at that and the consultant was asked to look at the data as well as the ISO impact. If the recommend is to combine two stations together, to develop a formal stance to help us recommend which of the two facilities would be suitable for that and in addition the consultant was asked to look at all of this from the reports from Chief Staskey as well as the financial part that was put together by Chief Wilson and Deanna. I also asked him for if we need to cover a certain geographical area and we did not have station 32 or 33 where would that be to provide the best coverage. We are starting to see some of the graphs, and I have asked them some questions, so we can present a recommendation and put this information into the fire boards hands, not adopt, and fully expect a recommendation next month for the board to give direction to the fire chief to have a public meeting and to share with all in the district. It is still a process to get there.

Norm Erickson: Through this whole restructure program and I know that not all the data is in, and a decision has not been , my curiosity is what would happen to the station that was closed, and then also based on all this data I'm seeing response times out of 32 and 33 and visa versa but I'm not seeing data that shows what those response times were pre pilot time. And what is all this data analysis going to cost us?

Chief Gaillard: Respect to the facilities, the pre depose idea of the vacate station we can cross that bridge, but I certainly do not have an idea as to what we would do with a vacated fire station as we have not gotten to that part of the discussion yet. We do not have a cost associated with Chief Staskey's team and administrative support, however we could possible put this together. We have asked staff to work on special projects like this time to time, if you recall when we looked at station 36 and 37. The consultant fee is less than the mailer we are sending out, the consultant fee is \$3,000. They are a very credible group that is helping us with this study, and we want to help the board with this decision and to check our data so there are not any assumptions being made.

Norm Erickson: I just brought this up as I know that this will be questions from the public as things that need to be thought about.

Chief Staskey: Brought in a larger map of the District and explained the boundaries established regarding when station 33 responds into 32. Part of the boundaries are covered by station 31 and the other part station 3 from the city is closer. We are really trying to meet our overall goal as to who is the closest response unit for a Charlie, Delta, Code 3 run. This should help clear up some of questions.

Tim Steffan: This brings up a huge question regarding this pilot, is station 3 part of that analysis? Are you looking at station 3 running this piece of the pie for the next 10 years?

Chief Wilson: Our partners are certainly being looked at for this pilot. If you close 32 there will be an impact will be on station 3 and 31 as supporting cast. If you close station 33 then the impact will be on Summit because there is nobody out there to pick this up. Your response times of 33 into 32 are shorter because other units are a supporting cast and picking up some of these calls.

Tim Steffan: Station 33 is coming on a Code 3 onto a major highway going pretty fast at 55 and above, whereas station 32 is coming out of residential area and has to slow down for this response.

Chief Wilson: There is a lot of information we are looking at.

Chief Gaillard: We and the consultant are looking at impacts of automatic aid partnership between Flagstaff and Summit as well. This is in addition to why we are looking into a change the response to that piece within our district that is off site. There is a standardize type of response of the engine response that we have an expectation of staffing with all the components. We have to look at automatic aid partnerships.

Board Chairman Timney: I am wondering if we should be looking at Station 31 and 3 on these graphs as well.

Chief Wilson: It is shown on your graph if you look it does say station 31 responded into 32, however, 32 into 33 there is not impact because all of 33 is impacted by 32. They are the closest unit. It shows 31 picking up 32 as they are the supporting cast.

Board Chairman Timney: I think if we do not put 31 responding into 32 in our analysis then the numbers are skewed.

Chief Wilson: We have the number of times they respond into 32, are you looking at a time?

Board Chairman Timney: If we did a time response it is a lot more, if we work on time as to what was the western end of 32 which is the eastern edge of 31, we need to see the time to compare of 31 coming into 32. We are now eliminating it from the factor.

Chief Wilson: I think that I understand what you are asking, we have historical data in the system, the problem is we have a call in the district and multiple units responded to it. We are capturing data of a single unit. We can get you this data next month.

Tim Steffan: So, there were four responses from 31 into 32 last month?

Chief Staskey: When we were at station 33 for the month.

Board Chairman Timney: Where is the eastern boundary of 32 when it is manned? Does it shift a little bit more to the east?

Chief Wilson and Union Representative Casey Robinson showed Board Chairman Timney where it is located on the map.

- c. Review, discuss and possible action on conditional mechanic offer to replace Nelson Arthur. Deputy Chief Wilson said that Nelson Arthur has resigned his position and we appreciate everything he has done. We would like to scratch this item from the meeting as the individual we interviewed from past applications has declined as we could not meet his salary requirements. We will keep the board updated. Alan is very short handed, and we will make this a high priority.

## 12. Board Member Comments-

Board Member Parker: Please have one conversation at a time some one does not need to transcribe all this gargling stuff, please in future talk one person at a time.

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

Discussion: None

Vote conducted. MOTION CARRIED unanimously by those present.

AYES: Timney, Milich, Parker

NAYES: None

Board Meeting Adjourned at 5:03 p.m.

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Board Clerk

\_\_\_\_\_  
Date

APPROVED