



Regular Board Meeting

1. CALL TO ORDER

Board Chairman Jim Timney called the Regular Board Meeting to order on Wednesday October 20, 2021, 3:00 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

Members Present: Board Member Jim Duskocil
Via Zoom

Members Absent: Rick Parker, Robb Faus

Administration: Deputy Chief Mark Wilson, Deputy Chief Pat Staskey(via Zoom), Administrative Officer Deanna Reed, Battalion Chief Chris Fennell, Fire Chief Mark Gaillard

Public: Bobby Fendley, Jennifer Franks, Norm Erickson, Keith Klassen

Public Via Zoom: Don Howard, R Gibbs, C Robinson, J McQuaid

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

4. CALL TO THE PUBLIC

- Norm Erickson, 5705 Buckboard Trail. I am concerned about the station closings or brown outs; he had a list of questions. What type of response time we would expect and why was the public not informed of this situation? Chairman Timney asked him to email his questions to the Board and the responses will be given at the next regular board meeting.
- Eric Klassen, 12280 N Peaks Parkway. He said that 33 is his station and he found out about its closure for this month through the community grapevine. When is the public being inform? How will it happen? He said he has worked both sides as a 3-man engine crew and a 2-man engine crew. He knows the benefits of 3-man engine however if he has an emergency, he will prefer 2-men there rather than waiting extra minutes for a 3-man engine.

5. CONSENT AGENDA

- Approval of Reconciliations and Financial Reports for September 2021
- Discussion and Approval of the Workshop/ Regular Board Meeting Minutes of September 15, 2021, and Special Board Meeting September 28, 2021.

Administrative Officer Reed presented the financial packet and asked if there were any corrections the meeting minutes or the financials discussed.

Discussion: None

Board Member Milich motioned to approve the Financial Reports for September 2021 and the Regular Board Meeting Minutes of September 15, 2021, and Special Board Meeting September 28, 2020. Board Chairman Timney seconded the motion.

Vote conducted. MOTION CARRIED unanimously in person.

AYES: Timney, Milich, Duskocil

NAYES: None

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

a. Monthly Run Report – Battalion Chief Torsten Palm

Presented total number of calls for September 2021. Call volume is one call lower than last September. We have personnel in Paramedic Training who are halfway done now and are set to graduate in April.

b. Monthly Chief Updates

Chief Gaillard: Captain Walsh was named Fire Fighter of the year by the Exchange Club today. He was selected by his peers.

Deputy Chief Wilson: Michael Allen will be at the GFR Firefighter Academy and has begun a 40-hour work week collaborating with the CADRE. They are in the process of building a new training module. We did not receive funding for a new water tender through the AFT Grant.

We are upgrading CAD software and it has provided challenges with the ABL being down for 4 1/2 weeks. Thank you to the BC's for monitoring the radio to decide the right unit available during CAD upgrade. It is now back in service.

Deputy Chief Staskey: GFR is planning night drills with ground ladders. Ryan Hill has left Summit Fire Department due to move to Denver CO.

Administrative Officer Reed asked the Fire Board to consider a reduction in the paper copies of the bank statement reconciliation during the Board meeting and the use of Board Effects. Chief Wilson stated the financials will still be available for the public, we would just not print it for the meetings.

c. Local 1505 Update

Jake McQuaid: There are no updates at this time other than they sat down with Administration and had good communications. They have Mike Allen in the Cadre and had a good turn out on the fill the boot. Nothing major to report.

7. **NEW BUSINESS / ACTION ITEMS - Public Comment:**

a. Discussion with Bobby Fendley from Fendley Benefits about their acquisition with Alera Group the 12th largest independent employment benefits consulting firm in the State of Arizona. He supplied a news release about the acquisition and a brochure of benefits. Fendley benefits have been providing services to SFMD for 20 years and there will not be any changes to the services we receive. It is business as usual with additional resources to improve services and support.

Administration, Employees and Family Members will see enhancements as soon as things are sorted out with this transition. Are there any questions about any of the key talking points listed in you Board Packet on the Action Sheet under key considerations? No questions were asked. Board Chairman Timney thanked Mr. Fendley.

b. Review, discuss and possible action on 2020-2021 Comprehensive Annual Financial Report presented by Jennifer Franks, CPA, CFE, CGFM from Hinton Burdick. Pages 1 & 2 are your auditors report, and last two pages shows auditors concerns. We found no issues or concerns and found SFMD to be compliant. Total net position was a deficient of 1.8 million, if you go to page 5 you will notice it was not as a significant loss compared to the prior year. Ms. Franks presented highlights from the audit to include compensation, pension fund and GO Bond accounts.

Discussion: None

Board Milich made a motion to approve the 2021-2021 Comprehensive Annual Financial Report as presented. Board Chairman Timney second.

Vote conducted. MOTION CARRIED unanimously in person.

AYES: Timney, Milich, Duskocil

NAYES: None

- c. Review, discuss and possible action on 2021-2023 MOU revision between SFMD and United Firefighter Local 1505 revision of Section 4.4 Uniforms item C boot allowance.

Chief Wilson presented the history of the boot allowance and how recently it was noted that staff were not able to find a wildland boot for the amount allowed. Collectively the labor met with administration to work together to revise this and propose to the board that instead of a specific amount for each type of boot. We simplified it to state to say that every three years, they have \$600.00 to be used for wildland or duty boots. This makes the personnel accountable and have choices if they want to put more money into one or the other. This simplifies the accounting. It is a minor change in the way it was written, instead of \$350 and \$250 a combined total of \$600 every three years.

Board Chairman Timney: We had a list of reliable boots to choose from and they were not reliable, and you needed a new boot every year. This change makes a lot of sense.

Chief Wilson: If they pick an unreliable boot that needs to be replaced every year, then the cost is on them as they have the \$600 every 3 years.

Board Milich made a motion to approve the 2021-2023 MOU revision of Section 4.4 Uniforms item C Boot Allowance. Board Chairman Timney second.

Vote conducted. MOTION CARRIED unanimously in person.

AYES: Timney, Milich, Duskocil

NAYES: None

- d. Review, discuss and possible action on 2021-2023 MOU Addendum between SFMD and United Fire Firefighters Local 1505 Addendum 1 Minimum Staffing during Eastside Restructure Pilot Program.

Discussion:

Chief Wilson presented the history and with the pilot of the Eastside Restructure it was agreed between Labor Management and Administration that the minimum staffing requirements were needing to be changed from the minimum staffing requirements that are in the current MOU. This was done as an addendum to the MOU with an expiration date of the termination of the Eastside Restructure Pilot or MOU whichever comes first. This way the MOU does not have to be modified. Minimum staffing to drop from 11 to 10 which allows three person Engines at 3 Station plus a Battalion Chief.

Chairman Timney: My understanding that this is a two month on two months off browning.

Chief Wilson: This is a pilot project that will last until the end of the fiscal year. It a 2:1 ratio with 2 months of Station 32 into 33 and 1 month Station 33 to 32 which will be reported in depth on the next agenda item.

Board Timney: If this pilot does not fly, how difficult would it be to supply three stations and staff them? I think it is wrong.

Chief Wilson: How long to put things back in place we can open the doors at once with equipment, however we have a gap in personnel. What this looks like is we have four current vacancies to fill. If we wanted to go back, we would start an academy in June 2022 and hire those back. In the meantime, without the staff the fiscal impact will be overtime increases. The board has the right to say nay or yea at any time.

Board Chairman Timney: I will go with this; however, I will be really critical and cognizant during this trial to be fair. If it falls flat, it falls flat, it turns out to be a real solution that is fine. I want to give it a try.

Member Duskocil: We are down four right now?

Chief Wilson: Yes, sir we are down four right now due to attrition. Two months ago, we had a dialogue with the board as to whether we wanted to go down this road. If we chose to go down the Eastside Restructure path; the decision was not to hire these vacancies which were two at that time, we are down four now. It was decided we could go down six and still meet the model for this project for the month of June. Does this answer your question?

Member Duskocil: Yes, it did, thank you for the explanation.

Board Member Milich made a motion to adopt the addendum as written to the MOU between SFMD and United Firefighters 1505. Board Chairman Timney second the motion.

Vote conducted. MOTION CARRIED unanimously in person.

AYES: Timney, Milich, Duskocil

NAYES: None

e. Review and discussion on update on the Certificates of Participation.

DISCUSSION:

Chief Wilson: We are about 90% done at this time and as of last Friday, you have a confidential overview in your packet of our rating. We needed to receive a BBB rating or above is good. Outside analysis came in and looked at all our finances, our current budget, our five-year budget and asked some tough questions as to how we are operating and why. All of this was to decide our rating which decides our rate for the Certificates of Participation. We received a favorable rating when they go to sale next Tuesday, this lowers the rate we will get and the higher the interest received on these certificates. We received an A+ rating for the GO Bond and an A rating for the Certificates of Participation. The good news is we are moving in a very solid stable direction. Monday we will have a presale meeting, the sale will take place the next day and it could take a couple of hours or half a day, we do not really know it varies. The market is a little turbulent right now as you may be aware of. Current market as of 10:45 today, we are still expecting even with the turbulent market with our rating a 2.75 to 3 million dollars in savings in the next 17 years. When we first came to the board, we were looking at a 3.4 million dollars in savings and the difference is a direct reflection from the market. The bottom line is as our auditor just spoke about, our PSPRS unfunded liability went up about \$600,000; she has seen other districts comparable to us as high as \$1,300,000. This is what we are getting ahead and with this sale we expect in saving the taxpayers 2.75 to 3 million dollars in the next 17 years. This is an update, are there any questions?

Chief Gaillard: Will Chief Wilson explain to the Public as to what the purpose of COPs are for?

Chief Wilson: We have an unfunded liability that is for retirees in the pension system that we owe money to for the lack of stabilization in the fund in the State of Arizona. Two and half years ago the Board made the decision to pay it within a 20-year period. It is currently being repaid at 7.3% interest and if you look at the past years this is about a \$600,000 payment and is expected at this current rate to increase to about \$1,400,000 in the last 10 years of this payment plan. What the District is trying to do is to balance this payment by the Certificates of Participation on our properties. What this will do is balance out our costs per year and keeps it at a flat rate. Payoff our unfunded liability at a lower interest rate. This is just an update; no action is needed.

Board Chairman Timney: Thank you.

- f. Review, discuss and possible action regarding the Eastside Restructure Pilot Program September Benchmarks.

DISCUSSION:

Chief Gaillard: We have a couple of things to share with you and we will want to discuss the progress of the pilot program. We have our first report on the progress of the pilot as to type of calls and response times. If there is any data you would like to see, we would like your feedback to this as well. We will present a video for your feedback that we would like to put on our website to inform the public about this pilot program.

Chief Wilson: Before the video, I would like to step back and relay that 3 months ago we presented to the board five options. Option one was an increase in taxes as we were looking at a funding deficient as a whole as we could meet our staffing/labor goals as well as funded Capital Replacement. Option two was to find other funding opportunities to fund the District. We did this with tower contracts, marijuana excess tax, outside district billings. Option three was to look at the Certification of Participation to flat out our unfunded liability and the Board approved to move forward with this option. Option four was the Eastside Restructure Pilot Program which will allow us to combine two stations which will create staffing savings of \$400,000 to \$500,000 in personnel expense and lower capital replacement required. This is what we have been working on these past months and the 5th Option was to do nothing at all and remain as we are, which was turned down by the Board. This is a kickoff to inform the public. It is about a 17-minute video.

Video reviewed.

Chief Gaillard: This is a direct communication with the public that we will put on our website and direct people to our website video. We also have our first data collection which will be presented by Chief Staskey.

Chief Staskey: We have collected data starting September 16 and this is about 31 days of the pilot program. The first set is the number of calls, as you can see from the narrative at the top of the chart that we have run 13 Emergent calls from Station 32 into District 33. Our average response time to those emergent calls is 6:41 on the average. In comparison we run these numbers in the City of Flagstaff and right now our average response for these emergent calls is 7:18. A very good response time we are seeing from these 31 days of the pilot. What type of calls we are seeing? Ten of these calls were EMS, two were good intent and one was for a gas leak. Does the board want to see other data and items during this pilot?

Discussion regarding Flagstaff average response time of 7:18. Average dispatch is 1:30, turnout time is 1:30, therefore between these two we have used 3-4 minutes. The rural has the same dispatch and turnout times, however, does not have the traffic and the congestion. Outline of the NFP 1710 standard that outlines response criteria from about six hundred fire department and over 2,000 calls tracked. According the 1710 the median average for response times is 5:58.

Administrative Officer Reed explained the financial savings for this pilot program. Total expenditures including all costs to the fire department including wildland call out and the saving in the first 31 days is around \$30,000. The savings are significantly higher when all outside cost including wildland are removed. This was to show the expenses for SFMD personnel expense only or what does it cost for SFMD personnel to operate. The difference is \$79,000. The last comparison between last year with the same date range of 09/16/2020 to 10/15/2020 to this year is \$4,000 in savings in overtime costs.

Chief Wilson: It is important that the information we provide to the board is accurate and understandable to help you make any future decisions. Are there any questions regarding the financial charts or is there anything else you would like to see?

Board Chairman Timney: The most important graph is the response times and type of calls. This is what the public would like to see.

Member Dorskocil: These are the three areas in which we need to see for the pilot, and they are clean and understandable.

Chief Wilson: The next modification to be seen next month will be in November, when Station 32 is brown out and Station 33 is open. This will include types of calls and number of calls from Station 33 into District 32; Station 31 into District 32. We want to make the distinction that these are single engine calls not multi engine calls.

Chief Staskey: There will be two pie charts next month. One showing station thirty-two into district 33 and station 33 into district 32 and station 31 into district 32 for comparison.

Board Chairman Timney: When we close out station thirty-two and we have engine 31 coming in, so we want to include their response time prior to closing 32 so we have some response times prior to making this combination. Combine all three stations inside some comparison chart.

Chief Gaillard: Is there any response to the video?

Chairman Timney: I wrote two notes during the video; talking about three-man engines on three sides, however I am not sure many people know we have a station on the westside. So, we are thinking three-man engines on three stations, I do not know how you can include station 37?

Discussion on this point was concluded that the three-man engine and three stations and that we are closing a station if someone is doing the math it does not make sense. The map showing all four stations was discussed and then the map showing that only stations 32 and 33 would be combined. There will be a slide added to clarify we have four stations and will reduce to three stations with the combination of 32 and 33.

Chairman Timney: Anytime we mention safety, we need to include personnel and the public when making this type of statement.

Chief Wilson: We have the option to enhance the slides regarding safety as we can stop and start to review slide by slide.

Chief Gaillard: Once we have made these changes, is it all right to post this video unto the website?

Board Chairman Timney: I do not see a problem of posting this video to the website.

Norm Erickson: There needs to be some sort of contingency plan to account for severe weather.

Chief Wilson: We recognize there are several roadways that will be impacted which is why we included the stations rotation months during these winter months so that we conclude that we have captured this data. November-March we are hoping to gather this data for these winter months.

Norm Erickson: This helps because we would like to know what the effects would be due to winter conditions.

Chief Gaillard: There maybe red flag days and we will bring in more people due events and weather conditions.

Chief Staskey: Reminder Summit Fire is part of the GFR, and we do have the ability to call for additional resources during adverse weather conditions. This allows the GFR to move the equipment and personnel to where the demand is need in a crisis situation.

Keith Klassen: When will it be ready and how will people be told that this video is out there. They just will not be out surfing for it. They need to be told why they need to see it as stations are closing. Again, when, and how will this happen.

Chief Gaillard: Once we get the video on the website, we will use social media to push it out to the public.

Keith Klassen: I do not think social media is enough. My neighbors up and down the street do not have the Facebook page. I think it is not fair not to let the people know. Whether it is a postcard or letter via the mail. This affects everyone. It's very important to contact everyone affected. Its not fair to people to not to let them know.

Chief Wilson: We had talked about getting data from an outside consultant analyst. It is currently in the works to work out a contract to get this data. Therefore, the data given to the public was not intuitive, it was a truly look from an analyst point of view. When this is complete, a public meeting will be held to give all this information to them to show them it is just not the Board and Administration providing this data and any recommendations regarding their analyst.

Board Chairman Timney: Any idea when this contract will be finalized?

Chief Gaillard: I saw the contract last week, there were some legal issues that needed to be addressed. It is low enough in cost that the board does not have to approve.

Board Chairman Timney: How long are we waiting for them to accumulate this data?

Chief Gaillard: The consultant will be getting data from the County CAD, what they are going to provide to us is a geographical data that will help answer questions like, which of the stations 32 or 33 has the greatest access based on location and also where would the best location be for access in this area of the District.

Board Chairman Timney: When we get it will we be able to tag it behind the video?

Chief Gaillard: We will be able to place the data collected on the website each month for the public to review as well as the consultant report once it is complete.

Norm Erickson: What was the reasoning on not increasing the mill rate?

Chief Wilson: The current mill rate is that we are totally maxed out at this time. The State of Arizona adopted the mill rate to be increased to 3.375 temporarily and then increased to 3.5 as the new mill rate maximum. For complete disclosure, there is also a loss of income from commercial properties. We are still working on these numbers. This is why the State allowed the increase of the mill rate.

Chief Gaillard: The legislation at one time had stated they would increase the mill rate to 3.5 on a temporary bases, however, they have changed their minds as a carrot to the fire districts to make this a permanent change. We presented to the Board that we could increase the mill rate to 3.5 and still be short.

Chief Wilson: Even if we increased the mill rate to 3.5 it would not achieve our goals and capital replacement for four stations.

Norm Erickson: My understanding is that is would be about \$350,000.

Chief Wilson: Per our minutes from the last month meeting, it was all broken down and to provide three persons staffing for all four stations ALS units and capital replacement; we would be at a \$850,000 deficit per year.

Board Member Duskocil: I agree that we need to look at some sort of means to let everyone in the district know besides social media. The people on the westside needs to be informed as they pay taxes into the district even though it will not affect them. This will make us transparent to the everyone in the district. It may pose the questions as to where the District is headed as we pulled out station from the westside and now the eastside. Is another one down the road? I do not have an answer as it will be tough to get the information out to the District.

Board Chairman Timney: I agree with your statement. When we first had this discussion, I expressed concern that when we did close a station on the westside, and we consolidated as we could not financially sustain two stations. I wondered if they would look as this consolidation on the eastside as like we are not holding to our promise as we have not built a station on the westside, while we are talking about building a station on the eastside. Are we actually hurting ourselves? I have mentioned this in previous discussions; however, we better do it right on how we present this information to our community makes all the difference.

Chief Gaillard: We will look at what the financial impact would be to send a direct mailer and will go ahead and push social media. We will look at the costs of a press release and direct mailer.

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, Duskocil
NAYES: None

Board Meeting Adjourned at 4:59 p.m.

Board Clerk _____

Date _____

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Approved