

Regular Meeting of Pinetop Fire Board
Monday May 15, 2017
Pinetop Fire District Station 12
5976 Buck Springs Rd, Pinetop AZ 85935

I. Call the meeting to Order: Doug Wright called the meeting to order at 5:03 PM

Roll Call of Board Members: Board members present Carla Bowen, Ronny Deming, Matthew Williams, Doug Wright, and John Rowlinson (telephonically).

II. Call to the Public: None

III. Consent Agenda

The items on the consent agenda are considered routine and will be adopted in one motion unless a board member, staff, or member of the public in the audience requests, before the vote on the motion, to have the item considered separately. If any item is removed from the Consent Agenda, the Board Chairman will indicate when it will be discussed in the regular agenda.

1. Approval of Board Meeting Minutes held on April 19, 2017
2. Approval of Warrants paid in April of 2017

Carla Bowen moved to approve consent agenda, Matthew Williams seconded the motion. Motion passed unanimously 5-0

IV. Board Business

1. Discussion/Consideration/Possible Action re: Presentation of April 2017 Financial Reports

Melissa Tomlinson with the James Vincent Group provided the board with an overview of the April financials.

Revenues for April are over compared to projected budget trends, primarily due to the timing of tax receipts and non- taxed levy funds.

Total expenses are under budget, a large part of that is due to staffing changes made in December. The minimum staffing level was decreased to five reducing the cost for overtime expenditures. Capital lease & capital out lay purchases have not been made which has contributed to reducing expenses.

Fiscal year revenues are over budgeted to date. Fiscal year expenses are under budgeted to date.

Ronny Deming moved to approve April 2017 financials, Matthew Williams seconded the motion. Motion passed unanimously 5-0.

2. Discussion/Consideration/Possible Action re: Proposed 2017 / 2018 Budget
Chief Morgan and Melissa Tomlinson have been working on the different scenarios and what we can expect next year. We held a budget workshop on April 19 and since that time we have gathered unknowns such as workers comp and health insurance quotes. On May 8th, information was updated and we have a tentative budget that we hope to post. Chief Morgan briefly explained why the FDAT was lower than expected due to the "cleanup" bill that the legislature introduced. It allowed the merged Timber Mesa Medical and Fire District to be

able to collect more FDAT money. This redistribution put neighboring districts at a lower than expected FDAT. We estimated it to be \$251,389. And it actually came in at \$228,200 due to redistribution.

The budget meetings were a culmination of Mr. Williams, Mrs. Bowen, Wayne Hemmings, Richie Halcomb, Charles Rose, Allison Moseley, and staff. The hope is to have a decision from the board on the proposed budget in order to get it posted for approval at the next board meeting.

Melissa reviewed the three scenarios for the board that have been discussed at the last two meetings, and budget meetings, she pointed out the differences and then introduced Scenario 4.

Scenario 4 included the new pay scale which was provided by Brenda Tranchina, a complete salary study with 12 steps instead of our 21, and 3% step increases. We still would have PTO count as hours worked and would hire 1 new Firefighter instead of 2. Longevity pay will be eliminated and reduced funding to the capital reserve program. This year we would start seeing a positive rate increase for our funding to Capital Reserve. Carla Bowen said Pinetop Fire had no choice but to raise taxes due to past shortfalls, slow AV growth of 2.5 % and creating a level tax rate of 3.17. Mrs. Bowen offered her thanks to Chief Morgan and Melissa Tomlinson for their hard work in getting the information put together to be able to create and maintain a solid budget. There was a good compromise on everything and puts us in a positive position in budget year 2017-18. Melissa Tomlinson commented on how everything went very smooth and everyone collaborated.

A question was brought up regarding what Timber Mesa Fire and Medical district proposed tax expected to be at \$3.02.

Melissa Tomlinson showed the board a projection into the future and following the budget plan will keep the district on financial solid ground. She summarized the new budget in a presentation and handouts, explaining how they saved money on the benefits, health insurance, liability insurance, and worker comp insurance. Chief Morgan found a new vendor, United AZ FF Health Trust at a substantially lower cost with better benefits. Workman's compensation estimated at \$131,964 is now at \$118,210 with other vendor.

John Rowlinson asked about the wage scale impact - 9% reduction for FF, 10% for company officers, and 16% reduction for assistant chief / fire chief. Mrs. Bowen commented that the wage scale has been out of balance to begin with according to Carla Bowen and higher than other districts in Arizona.

Melissa Tomlinson noted that many current employees are topped out, so there is no reduction in pay for them.

Chief Morgan explained how we would maintain the tax rate for a ten year period and provided an example on homeowner impact based on a value of 200,000. This property owner would see an increase of 42.00 in their tax bill. This is the path to maintain the district and bring us back up to long term sustainability. Posting the proposed budget is required and will allow the public to express complaints or suggestions from the citizens of our district. Chief talked about extra revenue and what we would have to do if we chose other options.

Doug Wright said he appreciated everyone coming together and reaching a compromise. Carla Bowen said there was good compromise which was well received by labor group according to Allison,

Carla Bowen moved to adopt the proposed budget for the 2017/2018 as presented. Ronny Deming second pass 5-0

Budget will be posted as required.

3. Discussion / Consideration/Possible Action re: Approving Credit Card line of credit with National Bank of Arizona

Chief Morgan requested approval to establish a credit card line of credit with National Bank of Arizona for district business. District credit cards are used by Wildland response teams, for travel related expenses for training and daily operation of the district. Currently the district has credit cards with Chase and BBVA. The cards issued through BBVA have a limited ability to change credit lines. National Bank of Arizona will issues corporate cards, they do not require the card to be in an individual's name allowing for ease of business process. A web based permission system allows for the changing of credit lines and restricts types of purchases allowed. The BBVA cards will be eliminated.

Matthew Williams asked what amount is authorized to be spent without board approval. Per Chief Morgan currently anything purchases over \$2500.00 requires board approval. The James Vincent Group working on an updated procurement policy to bring to the board, which will increase the amount authorized to be spent without board approval.

Carla Bowen moved to authorize Chief Morgan to establish a credit card account with National Bank of Arizona as presented. Ronny Deming seconded the motion. Motion passed unanimously 5-0.

4. Discussion/Consideration/Possible Action re: Approval of revised General Benefits Policy

Chief Morgan explained with hiring of the fuel crew, temporary employees, are not eligible for the full list of benefits that permanent full time employees are. The policy needs to be updated to reflect such. Chief Morgan will bring this policy back to the board in the future to included changes required by proposition 206.

Matthew Williams moved to approve the policy as presented. Ronny Deming seconded the motion. Motion passed unanimously 5-0.

5. Discussion / Consideration / Possible Action re: Update regarding Hydrant testing.

Carla Bowen requested an update on hydrants be provided to the board. Chief Morgan requested updates from the three major water companies within the district and requested any updates since November of 2016 when the hydrants were last tested. There have been no major issues, all three water companies have funds allocated for capital replacements.

AZ Water, (Chief Morgan) only company regulated by AZ Corporation Commission, requires improvements in their system in order to raise their rates.

There was discussion inquiring if water districts received grants or were eligible for grants. Chief Morgan stated there are grants available for capital improvements that the town could apply for under block grants. However town projects will be competing with any town improvements, should the town receive those grants.

Ronny Deming stated that there are rural development loans, with low interest rates that water districts can apply for regarding capital improvements.

V. Summary of Current Events:

1. Fire Chief Report regarding district Activities -
Chief Morgan stated as requested, he included more wildland specific activities. There were no questions from the board.

2. Board Chairman's Report -

John Rowlinson stated he has no additional information to add to his report. Chief Morgan brought up a topic from John Rowlinson concerning the viewing of bank statements that Jason Moore noted at the Navajo County Special district training. The thought was that they should be reviewed on monthly bases. Chairman Rowlinson had verified with Bill Whittington that it is not statutory required. John Rowlinson stated that Mr. Whittington had clarified in an email that confirmed a summary as being currently done is acceptable for board review to meet statutory requirements. He also stated that there is a difference of options from the two attorneys, and that he believes Mr. Whittington has a better feel for it with his history in dealing with fire districts. Chief Morgan stated that the statements were available for review and he agrees with Mr. Rowlinson that Mr. Whittington has more experience with fire district matters than Mr. Moore with the County.

VI. Future Meeting Dates and Items for Future Agenda

1. June 19, 2017

VII. Announcements

AFDA – summer conference. Please let Chief Morgan know if you plan on attending so reservations can be made. It is a joint conference with Arizona Fire Chief and Arizona Fire District. AFDA conference is July 13th – 15th

VIII. Meeting adjourned. Carla Bowen move to adjourn the meeting, seconded by Matthew Williams. Motion passed unanimously 5-0

APPROVED