

Regular Meeting of Pinetop Fire Board
Monday February 27, 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 5:00pm

Roll Call of Board Members: Board members present, Doug Wright, Carla Bowen, Ronny Demming, , John Rowlinson and Attorney Bill Whittington by telephone conference.

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 January 23, 2017
2. Approval of Minutes Executive Session Meeting held on November 28, 2016
3. Approval of Minutes Executive Session Meeting held on December 19, 2016
4. Approval of Financial reports for January 2017

Carla Bowen moved to approve consent agenda, Ronny Demming second.
Pass 4-0

IV. Executive Session: Discussion/Consideration/Possible Action re: possible vote to go into executive session pursuant to A.R.S. § 38-431.03(A) (4) to give instructions to legal counsel re: District audit issues; Accounting Professionals and A.R.S. § 38-431.03 (A) (1) personnel matter to interview prospective board member candidates.

Chief Morgan pointed out there are two items for legal advice considered for executive session, the district audit and the personnel matter to interview prospective board member candidates. Bill Whittington recommended going into executive session to obtaining legal advice for both questions.

Candidates were asked if they preferred executive session or public meeting, both Board Candidates said they didn't have a problem discussing their application process in open public meeting.

Carla Bowen moved to adjourn into executive session for legal advice under §38-431.03 (A) (3) to receive legal advice for Board Vacancy and the audit contract issue, Ronny Demming seconded the motion. Motion passed unanimously 4-0.

Board entered executive session at 5:05pm

Board returned executive session at 5:52pm

V. Board Business

Chief Morgan requested that agenda Item #7 be moved to agenda item #1, to accommodate the two gentlemen that were included in item #7 as they are scheduled to attend another meeting.

7. Discussion/Consideration/Possible Action re: Community Firewise Designation For Top of the Woods

Chief Morgan asked that the fire board ratify the NFPA conferred Firewise USA designation status to the Top of the Woods HOA Community Phase II. This is our second such community in the White Mountains they have worked very hard for well over a year to achieve this designation. Greg Sharp and Judge David Widmaier were present. Included in the board packet is a copy of the community plan. It is obvious a lot of hard work has been done by all involved and partners included Timber Mesa Fire and Medical District, Arizona State Forestry and Fire Management, NFPA, Pinetop Community Association HOA, Navajo County Emergency Management, US Forest Service, Top of the Woods, and Pinetop Fire District. Pinetop Fire District Board thanked them for their many hours of hard work.

Carla Bowen made a motion to recognize Top of the Woods HOA Community Phase II Community for their work in becoming a Firewise USA designated community as presented. Ronny Demming Seconded, motion passed unanimously 4-0

Chief Morgan will present this at the Timber Mesa Fire and Medical District Board meeting as well as the Town Council for recognition.

1. Discussion/Consideration/Possible Action re: Accepting board member Bob Scheuneman's resignation and consider appointment to the vacant Board Position.

Carla Bowen recused herself from the interview and vote due to her association with one of the candidates (Matthew Williams) as she serves on the Town Council as a Council Member and the town employs Matthew Williams.

Chief Morgan explained that the board has 90 days after date of resignation to appoint a new board member. In accordance with the by-laws, staff has posted the vacancy and procedures for prospective candidates on its web-site, facility bulletin boards and in the local paper; we received two candidates' applications for the position. They were asked to present a letter of interest and resume for board review. The two applicants are Ed Cibbarelli and Matthew Williams.

Doug Wright asked them state their interest in the Pinetop Fire Board and what their intentions for the district were. Both candidates gave very good speeches and both have sincere intentions. Matthew Williams was interested after becoming

Firewise certified and learning about the dangers to the district. Ed Cibbarelli had been on the board prior and enjoyed serving the district and felt he could serve through his prior experience. Both men summarized their reasons why they wanted to serve on the Board.

Ronny Demming made a motion to accept Bob Scheuneman's resignation with regret from the fire board, in good standing as submitted, and accept Matthew Williams onto the Pinetop Fire District Governing Board. John seconded and motion carried 3-0

Chief Morgan noted we would have to wait for a notary to fill out the necessary documents, therefor Matthew Williams would not be able to participate in any board business this evening.

Attorney Bill Whittington also reminded the board that Mr. Williams would have to take the online Open Meeting Class before he could serve.

2. Discussion/Consideration/Possible Action re: Termination of contract with Accounting Professionals and Approval of retaining Brian Richards to complete the year ending 2016 Audit.

Chief Morgan, The district previously engaged Accounting Professionals LLC to conduct our audit as they have in the past. Accounting Professionals provided the draft audit on January 28th and with it a professional Management Letter. After Chief Morgan contacted the JVG to review the draft financial statements, they also suggested comments in a couple of areas. PFD then received a final audited financial statement for review on January 30th. The cover letter attached somehow indicated PFD did not want the - Management's Discussion and Analysis (MD & A letter). No one at PFD was asked if we wanted it or not, JVG forwarded the district desire to have MD&A included with the original audit as noted in the engagement letter. The relationship with Accounting Professionals became increasingly complicated and Accounting Professionals technically resigned on the 17th of February and then pulled the resignation and changed the engagement letter. Given the time sensitive nature and requirements of the audit, Attorney Bill Whittington was contacted and the decision was made to consider the disengagement letter from Accounting Professionals dated February 17, 2017 and retain Brian Richards for completion of the audit for the year ending June 2016 in order to meet statutory requirements and deadlines.

Attorney Bill Whittington suggested Pinetop Fire District accept the resignation from Accounting Professionals dated February 17, 2017.

Ronny Demming made a motion to accept the resignation of Accounting Professionals dated February 17, 2017 and move forward with retaining Brian Richards CPA to perform the statutorily required annual audit for Pinetop Fire

District financial statements for the year ending 2016 not to exceed the amount of \$4,000.00. Doug Wright seconded, motion carried unanimously 4-0.

3. Discussion/Consideration/Possible Action re: the Board Conflict of Interest Statement

Chief Morgan; this item addresses the conflict of interest statement we discussed at the January board meeting. At the recommendation of Mr. Whittington it is best practice to reaffirm annually board members potential conflicts of interest and have that on file. Mr. Whittington reviewed our document and approved it to form.

Doug Wright stated he is employed and on the Governing Board at Summit Regional Hospital and he is an investor in Sunrise Air Ambulance.

John Rowlinson stated he has no conflicts and he would file his paper when he returns.

Ronny Demming stated the only thing he is aware of is that he is the brother in law of one of our reserves, Joseph MacGregor.

Carla Bowen said she is on the Town Council and may have to recuse herself if there is something related.

Doug Wright; we will hear from Matthew Williams next board meeting. Attorney Bill Whittington at the direction of the Chief noted the differences between financial and technical conflicts.

No board action, informational only

4. Discussion/Consideration/Possible Action re: Presentation of January 2017 Financial Reports

Chief Morgan: this is our monthly presentation of the financials from the James Vincent Group. Gabe Buldra from the JVG presented the January financials. Mr. Buldra explained the power-point. Overall revenue is over budget and expenses are under budget. Tax collection is under which is attributed to timing of payments from property tax, we are just under for the year to date. Non levy revenue was over-budget, biggest contributor being Wildland Revenue. Pinetop Fire is anticipated to trend under budget with non-levy revenue for the rest of the fiscal year.

Total expenses for the month were all under budget, salary wages, taxes and benefits attributed to most of the variance with the exception of capital outlay, which were up slightly both are attributed to the grant purchases of radios and accessories.

Year to date total revenue is ahead of projections, this being non-levy revenue, mostly due to wildland fire and the fire truck settlement. However, fiscal year expenses are over budget reflective of the professional managerial expenses; legal fees for truck works and personnel issues and wildland deployment expenses and unscheduled overtime. We are actually down cash year to year, partially due to payroll liabilities and accounts payable, once we get the final audit we will begin to build the true accrual basis system so assets and liabilities will be more reflective. We did spend fund balance last year so now you will see a trend in building that back up or down if we spend more fund balance.

Ronny Demming asked if we will see that grant money or if we already have. Gabe Buldra stated 99% of the grants are all reimbursement grants, there is always capital outlay before and then we see the money. Chief Morgan; noted that we have had the expenditure but not yet submitted the reimbursement from the State Homeland Security Grant. The grant amount of \$38,500.00 is for handheld portables and mobile radios with some additional capital replacement.

Carla Bowen moved to approve the January 2017 Financial Reports as presented. Ronny Demming seconded, motion passed unanimously 4-0.

5. Discussion/Consideration/Possible Action re: Ambulance Operation Data and Age Distribution Information

Chief Morgan; during the January meeting Chairman Rowlinson requested that staff provide information on our ambulance operations. Included in your board packets are reports that have information regarding those questions.

Provided are a couple of reports on age profiles month by month as well as a summary of age demographics and a summary of the billing. If you look at the billing summary you can see the payer types that include supportive funding which is about 1% of the total. Supportive funding is provided to the property tax owners that write off the difference paid by commercial insurance. Just a point, we don't have to accept this it is something districts in Arizona provide to their tax paying citizens. DHS actually doesn't allow the extra write off, but districts all over Arizona practice this, and it is only 1%. Chief Morgan noted that Greg Chavez and Karen Robbins worked hard preparing the information.

We currently have about a million dollars in total billable transports and the majority of our payers are Medicare and Medicaid. The predominant reasons for transport are general illness and falls.

Carla thanked Karen and Greg for doing the reports. Ronny Demming said he liked the thought of supportive funding because we have elderly people who have been here their whole life that pay taxes. Chief Morgan said that the Fire District money we receive from taxes are for Fire Service not EMS, it is a benefit that is provided to tax payers here in this district, and other districts around Arizona.

Doug wright asked if the reasonable and customary charges from Medicare and AHCCCS are national numbers or can we negotiate a better rate, Gabe Buldra said that we get what is negotiated for us and that would be around \$450.00 on an average Medicare call. Carla wants to see the reports again on a quarterly basis.

Chief Morgan and Karen Robbins were discussing that in February call volume was down sharply in comparison to last year. During the same time frame last year we had approximately 21 as opposed to the 8 this year. John Rowlinson asked if he could see non Resident transports? Chief Morgan explained one could actually tell by the supportive funding write offs which is only about 1%, it would be hard to actually break down and see who is and isn't a resident, we will see what we can do.

Carla Bowen asked how aggressive Aeromed is for non-residents where insurance could or should pay? Chief Morgan; according to the report only 54 were commercially billed and you can see we aggressively go to collect that money. Our bad debts are about \$9,000.00 of the million we billed out. Karen Robbins added that with any MVA's the billing company files liens. We are very fortunate that our billing company is very aggressive at collections.

Chief Morgan added that this is where that third party billing could be activated. We could bill for scene stabilization, Air Ambulance and extrication. It would be fairly easy to do as we now are collecting that information anyway. We should evaluate that possibility.

6. Discussion/Consideration/Possible Action re: Authorization to purchase grant funded wildland PPE

Chief Morgan this is our 3rd year of receiving our VFA grant, the first year we were awarded 6 "fire danger" signs, last year's grant awarded wildland PPE. Since our PPE is beyond the 10 year manufacture date we need 14 more set of PPE, 5 fire shelters, helmets and gloves. If you look at our PPE we are about at 60/50, we actually purchase the crew boss pant that is \$278.00 the state reimburses \$220.00 we pick up the rest of the amount and it was budgeted in the capital replacement expense account.

Ronnie Demming made the motion authorizing staff to purchase wildland PPE from Municipal Emergency Services (MES) not to exceed the amount of \$7378.67 not including shipping and taxes as presented.

VI. Summary of Current Events

1. Fire Chief Report regarding district activities

February District reports were provided to the board including January calls, the business inspection list and training report. Carla had a question concerning inspection times; Chief Morgan explained the crews were

responsible getting preplans complete with drawings that include identification of the building and all the utility and hydrant locations. This was also their first time crews are doing business inspections. It takes some time to go through the businesses pre-plan and inspection.

Doug had a question concerning the Lateral Fire Fighter testing. Chief Morgan explained that we had 8 applications for the position. 5 were scheduled and none passed the test. Now we have lowered the experience level requirement and gone back out to accept applications for testing.

2. Board Chairman Report
3. Presentation Captain's Helmet to Danny McNeil
Chief Morgan explained the grueling process Danny McNeil, Chad Ashcraft, Curt McKinney, Cory Esparza and Ben Altop went through for the Captains Assessment Testing. All of them did a wonderful job only one was the top candidate; he wishes he could give them all a new position.
Chief Morgan presented the red helmet to Danny McNeil, he would be starting as a Captain of C Shift soon.

VII. Future Meeting Dates and Items for Future Agendas

1. March 20, 2017 @ 5:00pm

VIII. Announcements

Chief Morgan told the board that Navajo County is having Special District training; Open Meeting Law and ethics, filing, close election campaign, discuss finance, public records filings and annual budget reports. The dates are 4-21 Holbrook and 4-28 Show Low from 8-12 and 1-5. If any of you are interested Chief Morgan will get the information.

IV. Adjournment: Chairman adjourned the meeting at 7:02pm

Respectfully Submitted:

Karen Robbins