



Approved by the Board on 3/15/17.

Sedona Fire District

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REGULAR BOARD MEETING Station #1 – 2860 Southwest Drive – Sedona – Multipurpose Room Wednesday, February 15, 2017 / 4:30 PM

~ MINUTES ~

I. CALL TO ORDER/ROLL CALL

Board Present: Ty Montgomery, Chairman; Corrie Cooperman, Clerk (Via Telephone); Tim Ernster, Abe Koniarsky, Dave Soto – Members

Others Present: Fire Chief Kris Kazian; Assistant Chief Jeff Piechura; Fire Marshal Jon Davis; Finance Director Gabe Buldra (JVG); Human Resources Manager Betty Johnson; Tricia Greer, Recorder to Board; Bill Whittington, Attorney; Police Chief David McGill; 4 Citizens

Board Chairman Ty Montgomery called the meeting to order at 4:30 PM.

II. REGULAR BUSINESS MEETING

A. Salute to the Flag of the United States of America and Moment of Silence to Honor all American Men and Women in Service to Our Country, Firefighters, and Police Officers.

Mr. Montgomery led the Pledge of Allegiance; and Division Chief Jeff Piechura asked all to honor the memory of 10 Firefighters and 16 Police Officers killed in the line of duty across our nation since the last Board meeting.

B. Swearing-In Ceremony for new Fire Marshal Jon Davis.

Fire Chief Kris Kazian recognized our new Fire Marshal Jon Davis, who moved from Oregon with his wife, Mabelle, and started at SFD on October 31st as Deputy Fire Marshal; upon the recent retirement of Gary Johnson, Mr. Davis has been promoted to Fire Marshal; Chief Kazian said he is doing great work and taking care of not only routine inspections, but also working on operational efficiency. Fire Marshal Davis recently changed the burn permit process and is looking at Fire Code revision issues, which he will bring to the Board soon. Along with Administrative Assistant Carla Dufort and Fire Inspector Rick Evans, he is working to get mobile inspections and efficiencies, leveraging technology to become more efficient where we can.

Chief Kazian then gave the ceremonial Oath of Office to Fire Marshal Davis; his wife pinned his badge.

C. Consent Agenda – Discussion/Possible Action:

1. **January 18, 2017 Regular Board Meeting Minutes.**
2. **January 18, 2017 Executive Session Minutes.**

Mr. Montgomery moved to approve the Consent Agenda, as presented, and Board Member Dave Soto seconded; the motion was unanimously approved at 5 to 0.

D. Public Forum:

1. **Public Comments. (Below are italicized verbatim comments.)**

Dr. Richard Griesenbeck – *I have a question...I'm Dr. Griesenbeck, most Sedona people used to know who I was. I've been retired since 1998, so fewer and fewer people who know who I was. What brought me here was reading in the Red Rock News, the discussion about a possible need for a bond issue for fire department and that brought to my mind, the... made me remember several years ago when there was some publicity, some of it a little bit skeptical, about the well-deserved, but generous compensation policy of the department and along with that, of course, the pension plans, and my question is really, right now, having just read a very good article about the dire state of many pension funds in municipal and other pension funds across the county – Detroit, of course, being the outstanding example. I just wanted to ask, what are – who handles the funds for our pensions – the pensions for*

our personnel and would they be, in any way, impacted by another bond issue or extra capital expenditures that might endanger those funds to be there when retirements occur.

Chief Kazian responded that SFD is in a statewide pension fund – Public Safety Personnel Retirement System (PSPRS) – with an actuarial who determines our rates in Phoenix. The bond issue, as it relates to the pension, is a separate issue in that SFD is not able to dictate funding percentages, as those are determined by the actuarial and a state agency; he said we will work hard to be financially responsible in capital projects that need to be done to maintain operations and, also, to maintain funding needed to provide services and pay the pension.

Dr. Griesenbeck continued: *I'm not into finance and I have not paid attention – I have no idea what the state personnel retirement funding is. I assume it's being handled responsibly by some state agency in Phoenix. And I assume it's in good shape. It was not mentioned in this article that I read. But, Detroit, of course, was the glaring example of deficiency. I assumed everything was done prudently, but then, as I really didn't know what was happening and how would a bond issue here affect the security of our pension plan for the personnel.* Chief Kazian said he would talk to Dr. Griesenbeck personally and provide additional information about PSPRS and its website address; he said their funding and percentages are listed and the legislature wants to make sure the funding is handled properly. Chief Kazian pointed out the bond is a separate issue with different purposes.

John Biggers – *I'm a retired lawyer. Almost 6 years ago, we moved to Sedona from Tucson where I had practiced law for 40 years, at the last as an Assistant Public Defender. We love Sedona and we're glad we moved here, but 4 days after moving here in October 2011, our house burned and your guys came out and took care of our house very efficiently, and we appreciated that and they kept the damage to a minimum, although it took about 8 months to restore it.... Then, about 2 years ago, they thought I had a heart attack, but it was a muscle spasm, and your guys came and got me and took me over to Cottonwood, and I was very pleased with the services. Then, just recently, one of your staff, Greg Eberlein, an outstanding young man and we are lucky to have guys like that. He is Exhibit A #1 of we can't get public servants to live in Sedona. I'm a great pusher of affordable housing for public servants, which in Arizona and in Sedona, we're pretty sad, but that's another issue. The reason I'm here today is to say when I was discharged from the hospital from hip replacement – that's what this is for – I'm 86, but I don't really need this, but I had a hip replacement – Dr. Allen Boyd – great orthopedist, if you ever need one. Anyway, when I was discharged, the gals over there said you're going to be contacted by Sedona Fire Department for services – a week later – I was contacted, but I was really very impressed with what Greg had to say and what your program in this regard must represent, namely getting to people in Sedona before, in a preventive way, they need to go to the hospital, so they don't need to have an ambulance – you make sure their house is safe – so, Greg went around our house, and my wife and I invited him to see if there were any places I might stumble and break a neck or something, because for about 6 weeks I have to stumble around with my hip replacement; after that, though, I'll be as good as new, ready to dance. But anyway, I just want to say I cannot say emphatically enough that this kind of program is really important. Chief Kazian, I think you've got a great guy there, Greg – as long as you can keep men and women of that caliber in Sedona, even though they can't live here, you know, it's too bad they have to live in – he said he likes Flag, so great, but Cottonwood, Camp Verde, so it's too bad we don't pay them enough – the same with the police, of course. I told the City Council once they should raise the police department \$10,000 a man or woman, but I wasn't in jest when I said that. As a lawyer, I used to put policemen on the stand and try to embarrass them, but I have great, great respect for public servants like firemen and police. And this service, what is it called? Chief Kazian responded: "Community Paramedicine". Mr. Biggers: The hospital called – hey, Sedona, we got old man Biggers coming over there, you better check him out; he might fall down those stairs, we're not sure – because the hospital says you're through. And, so, somebody in Sedona comes to see if Biggers is safe or not. I have a wonderful wife of 60+ years – not many people have that fortune, you know, to take care of me, but what if I was sent home by myself; who's going to look after me? Am I going to find somebody? Maybe. So, I can't say enough about that program, but I do think you ought to get out there the day they get home from the hospital. I really do, Chief, I think you need to see those people immediately to make sure they are in a safe setting situation. Now, you can't provide nurses. You can't provide this and that, but you can make sure from the standpoint of the structure and amenities to make sure people are living in a safe thing. And Gina and I are very grateful for what has been done thus far, but I really*

think it's a program that needs to hit the road running and when old John gets home, somebody should say, John, we're coming out tomorrow and we'd like to look at your place... That's all I have to say. Got any questions?

Chief Kazian thanked Mr. Biggers and said SFD is working to improve that program from a pilot state; hearing from people like Mr. Biggers helps us understand what is working and what is not; getting to discharged people on a timely basis is a priority. He said Firefighter Greg Eberlein is instrumental in helping facilitate the program.

2. Executive Staff Response to Public Comments.

Chief Kazian responded earlier.

E. Business:

1. Financial Report and Updates – Finance Director Gabe Buldra.

- a. **Discussion/Possible Action: Review and Approval of January 2017 Finance Report.**
- b. **Update: Assessed Valuation Projections from Coconino and Yavapai Counties.**
- c. **Update: Information regarding PSPRS financial issues.**

Finance Director Gabe Buldra stated property tax revenue for January was \$746,803 compared to the budgeted projection of \$891,491. Non-levy revenue was slightly under with a budgeted amount of \$171,313 compared to \$184,063. Personnel costs were at \$912,618, and while we are trending under overall in Personnel, we have some issues in overtime; Mr. Buldra is monitoring that and will give more details on overtime in the future.

Vehicles/Equipment is under budget at \$51,392. Utilities/Communications is right in line with budgeted at \$22,088; managerial expenses are under budget at \$56,924 and the only expense out of the capital contingency was the monthly debt service payment of \$21,909. Mr. Buldra reported our total expenses for January were \$1,064,931, which was under budget by \$255,000.

Mr. Buldra said fiscal year-to-date numbers on the revenue side are trending over budget on total revenue, both tax and non-tax by \$247,632; and on the expense side, all expense categories are trending under budget. Our total expenses for the fiscal year-to-date are \$8,072,812, which is under budget by \$1.1 million. He anticipates being under budget at fiscal year-end by \$700,000 to \$800,000, based on reoccurring expenses; however, we will see some of that come more in line as program managers are starting to spend funds. From a year over year position, we ended the month at \$6.6 million compared to \$5.8 million the previous year. Board Member Abe Koniarsky asked why the tax levy actual is lower than budgeted; Mr. Buldra said the budgeted levy is based on our collection percentages – the amount we collect per month, historically, so we will see higher or lower variance in the tax levy due to timing, of the county treasurer's office getting tax bills out and how quickly taxes are paid.

AV Projections: Mr. Buldra reported the Assessed Value (AV) numbers for next fiscal year came out last Friday; Coconino County is at \$136,097,000, which is a 5.48% increase and Yavapai County came in at \$402,537,000, a 5.4% increase, with the combined increase in AV next year at 5.42%. Prop 117 limited us to 5% growth on existing buildings and property; any new growth or development may be above 5%. Coconino's preliminary projection for next year is at almost a 6% increase; Yavapai was not able to give preliminary projections for next year, but did explain more detail on why we saw more than 5%, which is about \$10 million in new construction.

For the budget process, we have some known expenses such as PSPRS increases and healthcare estimates; with PSPRS increases based on law, we would start with a \$17.4 million budget, which – obviously – is too high; staff is making some cuts and changing priorities and we are attempting to keep the budget growth to a reasonable level. Mr. Buldra is waiting on budget projections from each budget section (program) manager, so estimates are based on last year's numbers plus growth and personnel expenses. Regarding PSPRS, there is the increase in our contribution rate next year and other changes resulting from the new law opened up opportunities for Tier 2 employees to go into a defined contribution plan in addition to the defined benefit plan available today; if employees elect to go into this plan, they would contribute 3% and the districts would contribute 3%; there are also catch-up provisions, which will cause us to have to pay 4% for the first couple of years, tapering back to 3%; assuming all our Tier 2 employees choose this defined contribution plan, it would be an additional \$66,000 to our PSPRS costs for next fiscal year, which is about a \$700,000 increase; this was not projected and as discussed last month, no one saw the magnitude of this impact coming. Mrs. Cooperman asked how many of our personnel are involved with Tier 2; Mr. Buldra responded he does not have the exact number now, but the majority of our

employees are in Tier 1; Mrs. Cooperman clarified those who could choose that option in Tier 2 have been hired since 2012; Mr. Buldra replied, "Correct".

Chief Kazian said staff is working to get each program managers' budgets to Mr. Buldra. There will be a preliminary Public Budget Workshop at the March Board meeting, and then, a more detailed Workshop in April. Mr. Montgomery confirmed the Board would receive budget binders at the March meeting.

2. Monthly Staff Report – Fire Chief Kris Kazian.

a. Incident Counts by Station.

b. Call Summary and Response Times Year to Date.

c. Rescue Incidents.

d. Community Risk Management Update.

e. SFD Training Report.

f. Donations to SFD.

g. Update of Grant Activity.

h. Update of Recent/Upcoming SFD Activities, Incidents, and Events.

i. Walkout Retirement Ceremony for 22-year SFD Employee, George Gutierrez.

ii. District Participation in Sedona St. Patrick's Day Parade on March 11, 2017.

iii. Cottonwood Public Safety Communications Center.

iv. Workers Compensation Pool.

v. Firefighter Testing Status Update.

i. Correspondence/Thank You Letters to SFD.

Chief Kazian reported the following:

- SFD responded to 337 calls in January, which is about the same as last year; he noted interfacility transports are down; Division Chief Ed Mezulis is tracking this through Community Integrated Paramedicine program.
- There were 3 backcountry rescues.
- On Tuesday, January 30th, SFD responded to another golf cart fire at a home in the Village of Oak Creek with \$150,000 loss; the crews provided a quick response to the fire, and the family was appreciative of the efforts.
- Grant Updates—Although we have not yet received the official notice, it appears we will receive the ADEQ grant and are working out those details. Other grants listed are pending.
- Awards Banquet—Staff and committee did a great job planning this event on January 28th.
- Community Risk Management—We have received plans for a new micro-distillery. CRM is using a new format for reporting; Fire Marshal Davis said he would be happy to add more detail, if the Board so desires. There were 181 fire inspections; 34 plans came in for review; CRM personnel attended over 80 hours of training and devoted 167 hours to other activities, such as code study, answering questions, and consulting.
- Training—Staff completed Arbinger training; kudos to our in-house leadership trainers. We will host National Fire Academy training in Ethics and Leadership this weekend at SFD.
- We will hold a Walkout Retirement Ceremony for George Gutierrez honoring his 22 years of service to SFD on 2/22/17 at 10:00 AM and the public is welcome to attend.
- St. Patrick's Day parade is on Saturday, March 11th; SFD Board Clerk Cooperman and Member Dave Soto are participating; if other Board members want to be in the parade, let Executive Assistant Tricia Greer know by early next week; Chief Kazian will be out of town that day.
- Cottonwood Public Safety Communications Center—Assistant Chief Piechura said SFD provided FireStats training to the Center and the Center Manager joined in; FireStats helps the manager drill down into information to address training issues for dispatchers. Chief Piechura also met with the new IT Manager who is working to enhance dispatch links to fire stations; there are discussions about enhancing the CAD system.
- Workers Comp Pool— SFD is in a group comprised of 10 fire districts from around the state making progress on the structure of a plan; staff will bring a recommendation in a formal capacity when it is ready.
- Firefighter Testing—Human Resources Manager Betty Johnson said we have 35 candidates participating in the practical testing and Oral Boards this week.

Mr. Montgomery noted the Board had failed to approve the January 2017 Financial Report earlier in the meeting; he then moved to approve same; Mr. Soto seconded and the motion unanimously passed.

F. Items from Staff:

1. Presentation: Emergency Medical Services Division Update.

Division Chief Ed Mezulis, who was scheduled to make this presentation today, had to go to Phoenix earlier for a family emergency.

Chief Kazian commented Mr. Biggers provided good feedback on our Community Integrated Paramedicine (CIP) program; he said this pilot program has gotten a slow beginning, but we are seeing the potential for big impacts for the lives of residents. Mr. Montgomery commented one of the problems is it is not a reimbursable service; the future of medicine is moving to value-based purchasing, which is already happening with hospitals and nursing homes, and he sees it coming to the physician level, and eventually, to SFD, where there will be compensation for keeping people out of the hospital and reducing Medicare costs. Chief Kazian commented CIP is being explored as a shared service in the Verde Valley. This item will be back on next month's agenda.

2. Update: Citizens' Advisory Committee to Explore Funding Options for Future Sedona Fire District Capital Expenditures; and Discussion/Possible Action: Authorize Fire Chief to Expend up to \$25,000 from Contingency for Expenses to Determine Feasibility and More Accurate Cost Estimates for Capital Projects under consideration by the Citizens' Advisory Committee.

Chief Kazian updated the Board on the Citizens' Advisory Committee; he said there were 7 applicants for the positions; we reviewed those applications and invited the citizens to an interview/team dynamic event yesterday; one of the community members was unable to attend at the last minute due to another personal commitment and dropped out of the process. He said we now have 6 community members that went through the process and are interested in participating: Lonnie Lillie, Gary Johnson, Dave Watters, Caryn Maxwell, Wendy Tanzer, and Eugene McCarthy; staff members participating are HR Manager Betty Johnson, Captain Pat Ojeda, and Firefighter Greg Eberlein with Executive Assistant Greer acting as recorder; the chair of the committee will be Board Member Tim Ernster. Chiefs Piechura and Kazian will facilitate the 7 or 8 meetings to help everyone understand the fire district, tour the facilities, and understand the financial components of how we operate as an agency, as well as the financial aspects of a potential bond. This committee will determine whether or not a bond is the right vehicle for SFD, considering our capital projects needs' list. The committee will have a written recommendation for the Board by the May meeting to give the Board time to consider, and in June, if that is the decision, to call the election. Staff is gathering information and creating PowerPoint programs reviewing Open Meeting Laws, under which this committee must operate; all committee meetings will be videotaped and put on our website for the public to view, if they are unable to attend the meetings in person.

Chief Kazian reiterated we are only exploring the option of bonding and doing our due diligence. It is the Board's and the citizens' decision whether having an election in November for a bond is the right move. He said SFD has significant capital needs and we will do our due diligence for long term planning. He said to properly prepare for this, we will need to engage architects and engineers to determine a price tag of capital items we need. Chief Kazian is requesting up to \$25,000 expenditure limit to engage professionals to determine what total allocations may be for capital projects to provide to the Citizens' Advisory Committee. He does not have the authority to take funds out of contingency, so is requesting the Board's approval for this. This is only for concepts, not full architectural drawings with "ballpark" pricing per square foot. Mr. Montgomery asked what is currently in the contingency account; Finance Director Buldra said we have \$292,000 at the end of January. Mr. Soto asked if there were fees included for a financial institution to guide us through a possible bonding process; Chief Kazian said that is premature, but if approved, would be paid out of the bond. Mrs. Cooperman said she had concerns with the \$25,000 amount and wanted to make sure we were not getting detailed plans on capital projects that we might not be able to do; after talking to the Chief, she is confident it will be just the minimal amount of plans needed to come up with projected figures. *Board Member Tim Ernster moved to authorize the use of up to \$25,000 contingency funds for costs associated with estimating future capital improvement costs; Mr. Soto seconded and the motion was unanimously approved.*

G. Items from Board Members:

1. Update: Shared Services Committee – Dave Soto.

Mr. Soto said there has been no recent formal committee meeting. Chief Kazian said there was a Verde Valley interagency meeting about what a shared service model Community Paramedicine program could look like.

H. FIRE MARSHAL'S SAFETY MESSAGE

Fire Marshal Jon Davis said in the last week or so, there have been a few fires where pets have perished. This led him to think about pets' involvement in fires; about 700 fires per year in the U.S. are caused by pets, such as tipping over lit candles, or trying to reach food left on stovetops and accidentally turning on burners; Fire Marshal Davis asked everyone to remember pets are curious and to be vigilant; he recommended using LED candles rather than burning candles, and make sure food, such as pizza boxes, is not left on burners; also, as pets are part of our families, we need to be prepared and have a plan for pets if we are evacuated due to wildfire.

I. ADJOURNMENT

The meeting adjourned at 5:30 PM.

Original signed by Corrie Cooperman

Corrie Cooperman, Clerk of the Board

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