



Sedona Fire District

2860 Southwest Drive, Sedona, Arizona 86336
Telephone (928) 282-6800 FAX (928) 282-6857

SFD CITIZENS' ADVISORY COMMITTEE MEETING
Station #1 – 2860 Southwest Drive – Sedona – Multipurpose Room
Monday, May 8, 2017 / 9:00 AM

~ MINUTES ~

I. Call to Order/Roll Call

Committee Chairman Tim Ernster called the meeting to order at 9:05 AM.

Committee Present: *Board Member* – Tim Ernster; *Citizens* –Lonnie Lillie; Gene McCarthy; Caryn Maxwell; Dave Watters; *Staff* – HR Manager Betty Johnson

Committee Absent: Gary Johnson; Wendy Tanzer; Captain Pat Ojeda; Firefighter Greg Eberlein

Others Present: Fire Chief Kris Kazian; Tricia Greer – Recorder to Committee; Dave Soto; CORE Representatives Ileana Beshaler and Nicole Kotsur

II. Pledge of Allegiance to the United States of America

Committee Chairman Tim Ernster led the Pledge of Allegiance.

III. Call to the Public

A. Public Forum:

- 1. Public Comments.**
- 2. Staff Response to Public Comments.**

There was no request to speak.

IV. Approval of Minutes

A. Discussion/Possible Action: Minutes of May 2, 2017

Caryn Maxwell moved to approve the Minutes of May 2, 2017, as presented, and Lonnie Lillie seconded; the motion unanimously passed.

V. Open Dialogue/Review of Information Previously Presented/Questions

Fire Chief Kris Kazian said at this point, staff and the committee are wrapping up this process. He put the final cost estimates from CORE on the screen and clarified that the Station 1 HVAC is only an estimate as no HVAC engineer was used. The HVAC system in the west side of the building is being used in bunk rooms that do not have proper ventilation; the system operates with different zones and dampers which have caused problems; the HVAC is only 6 or 7 years old, and with proper attention, should last for the lifetime of the building. In the same category, the evaporative cooler at Station 3 leaks and causes water damage; ideally, rather than being inside the mezzanine, those would be outside with the additional costs for a concrete pad and moving; this is estimated to be about \$25,000 that needs to be added to the budget.

CORE provided a final Conceptual Estimate of costs for the SFD stations; \$13,288,711 (high range) is for completion of all construction projects, which goes to \$15,282,018 with the 15% “soft costs” for architects, permitting fees, ADOT, connection to water, etc.; additionally, there will be the costs of apparatus and Telecommunications as presented previously; it was noted the \$990,000 for the Administrative side of the renovation is included; this will be discussed by the committee later today. Chief Kazian said David Watters has put together a funding worksheet to delineate which capital improvement figures the committee feels should be considered for bonding and those for pay/go. Mr. Lillie asked if the Station 1 renovation estimates include fixing the current lift or installing a commercial

elevator; Ileana Beshaler from CORE said it includes replacement of the lift which could be used by people, but is more designed for freight; a commercial elevator would be more expensive.

Mrs. Maxwell asked if ADA compliance would still apply if upstairs was not used for public meetings. Chief Kazian responded the upstairs room is used for training, sometimes for members of the public or other agencies; he said his recollection is LEA said the administrative side of the building does not meet ADA, although it is considered existing, non-conforming; if the renovation is large, it could trigger a need for ADA compliance. Mrs. Maxwell asked if a stair-lift on the stairway could be considered as compliance; Chief Kazian said he is not sure and there could be concerns about using that kind of device and some wheelchairs being unable to use it; additionally, even though the public does not use crew quarter bathrooms, they would need to be ADA compliant; Ms. Beshaler said there is also a concern about the correct width of the stairs. The Department of Justice regulates ADA compliance and if someone were to complain, there could be fines and the expensive cost of refitting. A solution could be replacing the current lift, which could be used to address accessibility for handicap requirements to meet the spirit of the ADA law. Ms. Beshaler said the cost to upgrade the current lift would be about \$30,000 and a two-stop commercial elevator would be \$50,000 or \$60,000; Mr. Lillie said the hotel he manages just looked at elevators and he felt it would be closer to \$100,000; he also said he recently investigated chair lifts for stairs, which might be worth investigating for a more reasonable price to address on the exterior stairs and on the administration side of the building. Chief Kazian pointed out the CORE numbers include \$30,000 for an upgraded lift.

VI. Discussion/Possible Action – Consideration of all fact-finding conducted by committee and draft report of summary and recommendations to be presented to the Sedona Fire District Governing Board for long-term capital project funding needs

Chief Kazian presented the graphs from Finance Director Gabe Buldra with the updated information requested by the committee last week, which are included below. The graphs show different scenarios to compare completing the 10-year capital improvements using No Bond, \$15 Million, \$17 Million, \$18 Million, and \$20 Million bonds – and how it will affect taxpayers. Chief Kazian pointed out the Sedona Fire District will still need the capital improvements even if we do not go to bond and will still have to address funding.

**SEDONA FIRE DISTRICT 10 Year Budget
No Bond**

	2 Year Budget		Projected 2019/2020	Projected 2020/2021	Projected 2021/2022	Projected 2022/2023	Projected 2023/2024	Projected 2024/2025	Projected 2025/2026	Projected 2026/2027
	Draft 2017/2018	Projected 2018/2019								
	2017/2018	2018/2019								
Coconino	136,097,375	141,541,270	147,202,921	150,882,994	154,655,069	159,294,721	164,073,562	168,995,769	174,065,642	179,287,612
Yavapai	402,537,969	418,639,488	435,385,067	446,269,694	457,426,436	471,149,229	485,283,706	499,842,217	514,837,484	530,282,609
Net Assessed Valuation	538,635,344	560,180,758	582,587,988	597,152,688	612,081,505	630,443,950	649,357,269	668,837,987	688,903,126	709,570,220
Mil Rate	2.5351	2.7957	2.8419	2.9294	3.0179	3.0923	3.1671	3.2273	3.2889*	3.3518*
Bond Rate	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Coconino	5.48%	4.00%	4.00%	2.50%	2.50%	3.00%	3.00%	3.00%	3.00%	3.00%
Yavapai	5.40%	4.00%	4.00%	2.50%	2.50%	3.00%	3.00%	3.00%	3.00%	3.00%
Total % AV change	5.42%	4.00%	4.00%	2.50%	2.50%	3.00%	3.00%	3.00%	3.00%	3.00%
Property Tax:										
Coconino	3,450,191	3,957,057	4,183,404	4,419,988	4,667,322	4,925,946	5,196,424	5,454,085	5,724,818	6,009,280
Yavapai	10,204,701	11,703,868	12,373,339	13,073,088	13,804,634	14,569,570	15,369,570	16,131,657	16,932,412	17,773,770
Total Property Tax	13,654,892	15,660,925	16,556,743	17,493,077	18,471,957	19,495,516	20,565,994	21,585,742	22,657,230	23,783,051
FDAT	323,033	323,033	323,033	323,033	323,033	323,033	323,034	323,035	323,036	323,037
Non-Tax Revenues	2,256,485	2,273,409	2,290,459	2,307,638	2,324,945	2,342,382	2,359,950	2,377,650	2,395,482	2,413,448
Subtotal	16,234,410	18,257,367	19,170,235	20,123,747	21,119,935	22,160,931	23,248,978	24,286,427	25,375,748	26,519,536
C/O &/or Rsrsv to offset taxes	704,345	500,000	400,000	300,000	200,000	100,000				
Total Revenue	16,938,755	18,757,367	19,570,235	20,423,747	21,319,935	22,260,931	23,248,978	24,286,427	25,375,748	26,519,536
Wages & Benefits	12,704,549	13,339,777	14,006,765	14,707,104	15,442,459	16,214,582	17,025,311	17,876,576	18,770,405	19,708,925
Operating Budget	2,778,658	2,917,591	3,063,470	3,216,644	3,377,476	3,546,350	3,723,667	3,909,850	4,105,343	4,310,610
Capital Budget	1,455,548	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total Budget	16,938,755	18,757,367	19,570,235	20,423,747	21,319,935	22,260,931	23,248,978	24,286,427	25,375,748	26,519,536
% of change	6.84%	10.74%	4.33%	4.36%	4.39%	4.41%	4.44%	4.46%	4.49%	4.51%

*Per Arizona Revised Statute, Fire Districts cannot exceed a mill rate of \$3.2500. This projection is for illustrative purposes only.

**SEDONA FIRE DISTRICT 10 Year Budget
\$15.00 MM Bond**

	2 Year Budget		Projected 2019/2020	Projected 2020/2021	Projected 2021/2022	Projected 2022/2023	Projected 2023/2024	Projected 2024/2025	Projected 2025/2026	Projected 2026/2027
	Draft 2017/2018	Projected 2018/2019								
Coconino	136,097,375	141,541,270	147,202,921	150,882,994	154,655,069	159,294,721	164,073,562	168,995,769	174,065,642	179,287,612
Yavapai	402,537,969	418,639,488	435,385,067	446,269,694	457,426,436	471,149,229	485,283,706	499,842,217	514,837,484	530,282,609
Net Assessed Valuation	538,635,344	560,180,758	582,587,988	597,152,688	612,081,505	630,443,950	649,357,269	668,837,987	688,903,126	709,570,220
Mil Rate	2.5351	2.5815	2.6360	2.7285	2.8218	2.9020	2.9823	3.0479	3.1147	3.1826
Bond Rate		0.1720	0.1653	0.1613	0.1574	0.1528	0.1483	0.1440	0.1398	0.1358
Coconino	5.48%	4.00%	4.00%	2.50%	2.50%	3.00%	3.00%	3.00%	3.00%	3.00%
Yavapai	5.40%	4.00%	4.00%	2.50%	2.50%	3.00%	3.00%	3.00%	3.00%	3.00%
Total % AV change	5.42%	4.00%	4.00%	2.50%	2.50%	3.00%	3.00%	3.00%	3.00%	3.00%
Property Tax:										
Coconino	3,450,191	3,653,852	3,880,199	4,116,783	4,364,118	4,622,741	4,893,219	5,150,880	5,421,614	5,706,075
Yavapai	10,204,701	10,807,073	11,476,544	12,176,293	12,907,839	13,672,775	14,472,775	15,234,862	16,035,617	16,876,975
Total Property Tax	13,654,892	14,460,925	15,356,743	16,293,077	17,271,957	18,295,516	19,365,994	20,385,742	21,457,230	22,583,051
FDAT	323,033	323,033	323,033	323,033	323,033	323,033	323,034	323,035	323,036	323,037
Non-Tax Revenues	2,256,485	2,273,409	2,290,459	2,307,638	2,324,945	2,342,382	2,359,950	2,377,650	2,395,482	2,413,448
Subtotal	16,234,410	17,057,367	17,970,235	18,923,747	19,919,935	20,960,931	22,048,978	23,086,427	24,175,748	25,319,536
C/O &/or Rsrvs to offset taxes	704,345	500,000	400,000	300,000	200,000	100,000				
Total Revenue	16,938,755	17,557,367	18,370,235	19,223,747	20,119,935	21,060,931	22,048,978	23,086,427	24,175,748	25,319,536
Wages & Benefits	12,704,549	13,339,777	14,006,765	14,707,104	15,442,459	16,214,582	17,025,311	17,876,576	18,770,405	19,708,925
Operating Budget	2,778,658	2,917,591	3,063,470	3,216,644	3,377,476	3,546,350	3,723,667	3,909,850	4,105,343	4,310,610
Capital Budget	1,455,548	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
Total Budget	16,938,755	17,557,367	18,370,235	19,223,747	20,119,935	21,060,931	22,048,978	23,086,427	24,175,748	25,319,536
% of change	6.84%	3.65%	4.63%	4.65%	4.66%	4.68%	4.69%	4.71%	4.72%	4.73%

**SEDONA FIRE DISTRICT 10 Year Budget
\$17.00 MM Bond**

	2 Year Budget		Projected 2019/2020	Projected 2020/2021	Projected 2021/2022	Projected 2022/2023	Projected 2023/2024	Projected 2024/2025	Projected 2025/2026	Projected 2026/2027
	Draft 2017/2018	Projected 2018/2019								
Coconino	136,097,375	141,541,270	147,202,921	150,882,994	154,655,069	159,294,721	164,073,562	168,995,769	174,065,642	179,287,612
Yavapai	402,537,969	418,639,488	435,385,067	446,269,694	457,426,436	471,149,229	485,283,706	499,842,217	514,837,484	530,282,609
Net Assessed Valuation	538,635,344	560,180,758	582,587,988	597,152,688	612,081,505	630,443,950	649,357,269	668,837,987	688,903,126	709,570,220
Mil Rate	2.5351	2.5458	2.6016	2.6950	2.7892	2.8703	2.9515	3.0180	3.0857	3.1545
Bond Rate		0.1949	0.1874	0.1828	0.1784	0.1732	0.1681	0.1632	0.1585	0.1539
Coconino	5.48%	4.00%	4.00%	2.50%	2.50%	3.00%	3.00%	3.00%	3.00%	3.00%
Yavapai	5.40%	4.00%	4.00%	2.50%	2.50%	3.00%	3.00%	3.00%	3.00%	3.00%
Total % AV change	5.42%	4.00%	4.00%	2.50%	2.50%	3.00%	3.00%	3.00%	3.00%	3.00%
Property Tax:										
Coconino	3,450,191	3,603,318	3,829,665	4,066,249	4,313,583	4,572,207	4,842,685	5,100,346	5,371,079	5,655,541
Yavapai	10,204,701	10,657,607	11,327,078	12,026,827	12,758,373	13,523,309	14,323,309	15,085,396	15,886,151	16,727,509
Total Property Tax	13,654,892	14,260,925	15,156,743	16,093,077	17,071,957	18,095,516	19,165,994	20,185,742	21,257,230	22,383,051
FDAT	323,033	323,033	323,033	323,033	323,033	323,033	323,034	323,035	323,036	323,037
Non-Tax Revenues	2,256,485	2,273,409	2,290,459	2,307,638	2,324,945	2,342,382	2,359,950	2,377,650	2,395,482	2,413,448
Subtotal	16,234,410	16,857,367	17,770,235	18,723,747	19,719,935	20,760,931	21,848,978	22,886,427	23,975,748	25,119,536
C/O &/or Rsrvs to offset taxes	704,345	500,000	400,000	300,000	200,000	100,000				
Total Revenue	16,938,755	17,357,367	18,170,235	19,023,747	19,919,935	20,860,931	21,848,978	22,886,427	23,975,748	25,119,536
Wages & Benefits	12,704,549	13,339,777	14,006,765	14,707,104	15,442,459	16,214,582	17,025,311	17,876,576	18,770,405	19,708,925
Operating Budget	2,778,658	2,917,591	3,063,470	3,216,644	3,377,476	3,546,350	3,723,667	3,909,850	4,105,343	4,310,610
Capital Budget	1,455,548	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Total Budget	16,938,755	17,357,367	18,170,235	19,023,747	19,919,935	20,860,931	21,848,978	22,886,427	23,975,748	25,119,536
% of change	6.84%	2.47%	4.68%	4.70%	4.71%	4.72%	4.74%	4.75%	4.76%	4.77%

**SEDONA FIRE DISTRICT 10 Year Budget
\$18.00 MM Bond**

	2 Year Budget		Projected 2019/2020	Projected 2020/2021	Projected 2021/2022	Projected 2022/2023	Projected 2023/2024	Projected 2024/2025	Projected 2025/2026	Projected 2026/2027
	Draft 2017/2018	Projected 2018/2019								
Coconino	136,097,375	141,541,270	147,202,921	150,882,994	154,655,069	159,294,721	164,073,562	168,995,769	174,065,642	179,287,612
Yavapai	402,537,969	418,639,488	435,385,067	446,269,694	457,426,436	471,149,229	485,283,706	499,842,217	514,837,484	530,282,609
Net Assessed Valuation	538,635,344	560,180,758	582,587,988	597,152,688	612,081,505	630,443,950	649,357,269	668,837,987	688,903,126	709,570,220
Mil Rate	2.5351	2.5368	2.5930	2.6866	2.7810	2.8624	2.9438	3.0106	3.0784	3.1474
Bond Rate		0.2063	0.1984	0.1936	0.1889	0.1834	0.1780	0.1728	0.1678	0.1629
Coconino	5.48%	4.00%	4.00%	2.50%	2.50%	3.00%	3.00%	3.00%	3.00%	3.00%
Yavapai	5.40%	4.00%	4.00%	2.50%	2.50%	3.00%	3.00%	3.00%	3.00%	3.00%
Total % AV change	5.42%	4.00%	4.00%	2.50%	2.50%	3.00%	3.00%	3.00%	3.00%	3.00%
Property Tax:										
Coconino	3,450,191	3,590,685	3,817,032	4,053,616	4,300,950	4,559,573	4,830,052	5,087,712	5,358,446	5,642,908
Yavapai	10,204,701	10,620,241	11,289,712	11,989,461	12,721,007	13,485,943	14,285,942	15,048,030	15,848,784	16,690,143
Total Property Tax	13,654,892	14,210,925	15,106,743	16,043,077	17,021,957	18,045,516	19,115,994	20,135,742	21,207,230	22,333,051
FDAT	323,033	323,033	323,033	323,033	323,033	323,033	323,034	323,035	323,036	323,037
Non-Tax Revenues	2,256,485	2,273,409	2,290,459	2,307,638	2,324,945	2,342,382	2,359,950	2,377,650	2,395,482	2,413,448
Subtotal	16,234,410	16,807,367	17,720,235	18,673,747	19,669,935	20,710,931	21,798,978	22,836,427	23,925,748	25,069,536
C/O &/or Rsrvs to offset taxes	704,345	500,000	400,000	300,000	200,000	100,000				
Total Revenue	16,938,755	17,307,367	18,120,235	18,973,747	19,869,935	20,810,931	21,798,978	22,836,427	23,925,748	25,069,536
Wages & Benefits	12,704,549	13,339,777	14,006,765	14,707,104	15,442,459	16,214,582	17,025,311	17,876,576	18,770,405	19,708,925
Operating Budget	2,778,658	2,917,591	3,063,470	3,216,644	3,377,476	3,546,350	3,723,667	3,909,850	4,105,343	4,310,610
Capital Budget	1,455,548	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000
Total Budget	16,938,755	17,307,367	18,120,235	18,973,747	19,869,935	20,810,931	21,798,978	22,836,427	23,925,748	25,069,536
% of change	6.84%	2.18%	4.70%	4.71%	4.72%	4.74%	4.75%	4.76%	4.77%	4.78%

**SEDONA FIRE DISTRICT 10 Year Budget
\$20.00 MM Bond**

	2 Year Budget		Projected 2019/2020	Projected 2020/2021	Projected 2021/2022	Projected 2022/2023	Projected 2023/2024	Projected 2024/2025	Projected 2025/2026	Projected 2026/2027
	Draft 2017/2018	Projected 2018/2019								
Coconino	136,097,375	141,541,270	147,202,921	150,882,994	154,655,069	159,294,721	164,073,562	168,995,769	174,065,642	179,287,612
Yavapai	402,537,969	418,639,488	435,385,067	446,269,694	457,426,436	471,149,229	485,283,706	499,842,217	514,837,484	530,282,609
Net Assessed Valuation	538,635,344	560,180,758	582,587,988	597,152,688	612,081,505	630,443,950	649,357,269	668,837,987	688,903,126	709,570,220
Mil Rate	2.5351	2.5279	2.5845	2.6782	2.7728	2.8544	2.9361	3.0031	3.0711	3.1404
Bond Rate		0.2293	0.2205	0.2151	0.2098	0.2037	0.1978	0.1920	0.1864	0.1810
Coconino	5.48%	4.00%	4.00%	2.50%	2.50%	3.00%	3.00%	3.00%	3.00%	3.00%
Yavapai	5.40%	4.00%	4.00%	2.50%	2.50%	3.00%	3.00%	3.00%	3.00%	3.00%
Total % AV change	5.42%	4.00%	4.00%	2.50%	2.50%	3.00%	3.00%	3.00%	3.00%	3.00%
Property Tax:										
Coconino	3,450,191	3,578,051	3,804,398	4,040,982	4,288,316	4,546,940	4,817,418	5,075,079	5,345,812	5,630,274
Yavapai	10,204,701	10,582,874	11,252,345	11,952,095	12,683,640	13,448,576	14,248,576	15,010,663	15,811,418	16,652,776
Total Property Tax	13,654,892	14,160,925	15,056,743	15,993,077	16,971,957	17,995,516	19,065,994	20,085,742	21,157,230	22,283,051
FDAT	323,033	323,033	323,033	323,033	323,033	323,033	323,034	323,035	323,036	323,037
Non-Tax Revenues	2,256,485	2,273,409	2,290,459	2,307,638	2,324,945	2,342,382	2,359,950	2,377,650	2,395,482	2,413,448
Subtotal	16,234,410	16,757,367	17,670,235	18,623,747	19,619,935	20,660,931	21,748,978	22,786,427	23,875,748	25,019,536
C/O &/or Rsrvs to offset taxes	704,345	500,000	400,000	300,000	200,000	100,000				
Total Revenue	16,938,755	17,257,367	18,070,235	18,923,747	19,819,935	20,760,931	21,748,978	22,786,427	23,875,748	25,019,536
Wages & Benefits	12,704,549	13,339,777	14,006,765	14,707,104	15,442,459	16,214,582	17,025,311	17,876,576	18,770,405	19,708,925
Operating Budget	2,778,658	2,917,591	3,063,470	3,216,644	3,377,476	3,546,350	3,723,667	3,909,850	4,105,343	4,310,610
Capital Budget	1,455,548	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Budget	16,938,755	17,257,367	18,070,235	18,923,747	19,819,935	20,760,931	21,748,978	22,786,427	23,875,748	25,019,536
% of change	6.84%	1.88%	4.71%	4.72%	4.74%	4.75%	4.76%	4.77%	4.78%	4.79%

**Sedona Fire District
Bond Cost Comparisons
For Average Homeowner**

The following table represents the cost of the Bond for the average property in Sedona Fire District.

\$15.0 MM Bond			
Value of Property	Assessed Value	Estimated Annual Cost	Total Cost over Life of Bond
\$ 345,162.00	\$ 34,516.20	\$ 59.35	\$ 921.01
\$17.0 MM Bond			
Value of Property	Assessed Value	Estimated Annual Cost	Total Cost over Life of Bond
\$ 345,162.00	\$ 34,516.20	\$ 67.27	\$ 1,043.81
\$18.0 MM Bond			
Value of Property	Assessed Value	Estimated Annual Cost	Total Cost over Life of Bond
\$ 345,162.00	\$ 34,516.20	\$ 71.22	\$ 1,105.21
\$20.0 MM Bond			
Value of Property	Assessed Value	Estimated Annual Cost	Total Cost over Life of Bond
\$ 345,162.00	\$ 34,516.20	\$ 79.14	\$ 1,228.01

**SEDONA FIRE DISTRICT 10 Year Budget
Bond Tax Comparisons**

	2 Year Budget		Projected 2019/2020	Projected 2020/2021	Projected 2021/2022	Projected 2022/2023	Projected 2023/2024	Projected 2024/2025	Projected 2025/2026	Projected 2026/2027
	Draft 2017/2018	Projected 2018/2019								
Average Property Value	345,162	345,162	358,968	367,943	377,141	388,455	400,109	412,112	424,476	437,210
Assessed Value	34,516	34,516	35,897	36,794	37,714	38,846	40,011	41,211	42,448	43,721
No Bond										
Operating Mil Rate	2.5351	2.7957	2.8419	2.9294	3.0179	3.0923	3.1671	3.2273	3.2889*	3.3518*
Bond Rate		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total Tax Rate		2.7957	2.8419	2.9294	3.0179	3.0923	3.1671	3.2273	3.2889	3.3518
Total Tax Liability		964.97	1,020.15	1,077.85	1,138.17	1,201.22	1,267.19	1,330.01	1,396.06	1,465.44
\$15.0 MM Bond										
Mil Rate	2.5351	2.5815	2.6360	2.7285	2.8218	2.9020	2.9823	3.0479	3.1147	3.1826
Bond Rate		0.1720	0.1653	0.1613	0.1574	0.1528	0.1483	0.1440	0.1398	0.1358
Total Tax Rate		2.7534	2.8013	2.8898	2.9792	3.0548	3.1307	3.1920	3.2545	3.3184
Total Tax Liability		950.38	1,005.58	1,063.27	1,123.59	1,186.65	1,252.61	1,315.44	1,381.47	1,450.83
\$17.0 MM Bond										
Mil Rate	2.5351	2.5458	2.6016	2.6950	2.7892	2.8703	2.9515	3.0180	3.0857	3.1545
Bond Rate		0.1949	0.1874	0.1828	0.1784	0.1732	0.1681	0.1632	0.1585	0.1539
Total Tax Rate		2.7407	2.7890	2.8778	2.9675	3.0434	3.1197	3.1813	3.2441	3.3083
Total Tax Liability		945.97	1,001.17	1,058.86	1,119.18	1,182.24	1,248.20	1,311.04	1,377.06	1,446.43
\$18.0 MM Bond										
Mil Rate	2.5351	2.5368	2.5930	2.6866	2.7810	2.8624	2.9438	3.0106	3.0784	3.1474
Bond Rate		0.2063	0.1984	0.1936	0.1889	0.1834	0.1780	0.1728	0.1678	0.1629
Total Tax Rate		2.7432	2.7915	2.8802	2.9698	3.0457	3.1218	3.1834	3.2462	3.3103
Total Tax Liability		946.85	1,002.04	1,059.74	1,120.05	1,183.12	1,249.08	1,311.91	1,377.93	1,447.30
\$20.0 MM Bond										
Mil Rate	2.5351	2.5279	2.5845	2.6782	2.7728	2.8544	2.9361	3.0031	3.0711	3.1404
Bond Rate		0.2293	0.2205	0.2151	0.2098	0.2037	0.1978	0.1920	0.1864	0.1810
Total Tax Rate		2.7572	2.8049	2.8933	2.9827	3.0581	3.1339	3.1951	3.2576	3.3214
Total Tax Liability		951.68	1,006.88	1,064.57	1,124.88	1,187.95	1,253.91	1,316.74	1,382.77	1,452.13

*Per Arizona Revised Statute, Fire Districts cannot exceed a mil rate of \$3.2500. This projection is for illustrative purposes only.

The projections reflected in this report beyond Fiscal Year 2017/2018 have been calculated using historical averages and estimated rates of inflation. These are not guarantees of future revenues and expenses for SFD.

Mr. Lillie thanked the Chief for the presentation and said it was exactly what the committee asked for; he commented these projections are based on the 10-year budget presented as of today and as of this current Board – he clarified if there is anything the committee could stipulate to keep this on track in the future in the recommendation; Mr. Watters included a statement that highly recommends if we go to bond election and it passes, for future Boards to honor the public’s desire, as follows: “That the elected Fire Board directs staff to continue to find efficiencies and cost savings so as to require the minimum amount of bond sales to complete the capital projects as proposed”, but there is no way to guarantee it. Mr. Lillie stated he believes the verbiage should be as strong as possible to future Boards to listen to the recommendation.

Chief Kazian said the district will create efficiencies and bond as little as possible, but unless someone donates a large sum of money to the district, the only way we get revenue is by increasing the mil rate or by experiencing a large increase in Assessed Value (AV); the funding is still attached to residents and creates a “pay now” impact to residents and commercial owners; bonding uses the concept of spreading out the costs over 20 years with future residents sharing the costs with current residents. Mrs. Maxwell pointed out that staff had pulled out some apparatus to be paid for through the regular budget. Mr. Lillie reiterated his desire that the committee state strongly that if the public approves a bond and future Boards use the bond funding for less important projects, such as buying new pick-up trucks or Suburbans, it would be up to the public to cry “foul”; Chief Kazian said the beauty of democracy is the public gets to attend meetings and address the Board; however, that would not preclude future Boards from spending or not spending the bond money.

Mr. Ernster asked about the previous statement in the report referring to efficiencies and cost savings, which is not just the specifics of purchases, but also regarding wages and benefits, as well as operating budgets; Chief Kazian said, “correct” and the district has a great responsibility to maintain efficiencies and he has worked on this over the last 5 years of his time with the district; it is a high priority. He said SFD works as transparently as possible and will continue to do so; he welcomes citizens’ questions and urged people to not rely on what they “heard from their neighbor about the district”. SFD is entrusted with a very important job in the community; a bond would allow us to continue to provide emergency service in a sustainable manner; all organizations are experiencing cost increases and no one should be shocked by that; Mrs. Maxwell commented public safety is SFD’s business and despite the fact that costs are rising, SFD has to provide that service to our community and the millions of visitors who come here. Chief Kazian said he has been asked how non-residents pay for services; he said visitors pay sales tax and bed tax, which SFD does not get – but when visitors spend money at local businesses who pay commercial taxes, that helps our revenue; he also commented that he recently visited Chicago, and if he had required emergency services there, it would have been provided to him – and he helped Chicago’s agencies by spending money in their local businesses; everyone becomes a visitor in other agencies’ jurisdictions and may need their help at some point.

Mr. McCarthy thanked the staff and Chief Kazian for all their hard work in providing information to analyze and thanked Mr. Watters for the draft report; ***he then moved to accept the revised draft report written by Mr. Watters, and in addition, to recommend consideration for a \$20 million bond***; the motion died for lack of a second. Mr. Ernster recommended the committee first discuss the draft report and consider committee member Gary Johnson’s suggestions, as he was unable to attend today’s meeting.

Mr. Watters drafted a report to the Fire Board and created a funding worksheet for the committee to fill in together. He said the numbers in the draft report are not 100% correct yet because the committee needs to discuss the specifics of the projects being recommended. The committee members then went through each of the projects being proposed and voted if they felt the project was something the district should do, and if so, prioritized them, and voted their preferences for bonding or pay/go. The completed graph is below.

SFD 10 year Capital Expenditures- Committee Recommendation on 5/8/2017

Instructions: Place a 1= Bond Funding 2= Pay Go or Leave Blank = Do Not Do next to the Project Name based on your priority

		Committee of 10 People (with 4 members absent)						
Priority	Project	Amount (High range)	YES	NO	BOND	No Bond	PayGo	Don't Do
MAJOR CAPITAL PROJECTS								
1	Station 4 Rebuild	\$4,945,096.00	6	0	6	0		
1	Station 5 Rebuild	\$2,619,864.00	6	0	6	0		
1	Station 1 (Westside & HVAC) Remodel	\$1,715,000.00	6	0	6	0		
1	Station 1 (Admin Side) Remodel	\$931,544.00	6	0	4	2		
1	Station 1 Maintenance Facility	\$1,034,127.00	6	0	6	0		
1	Station 3 (Structural, HVAC, Apron) Remodel	\$1,045,000.00	6	0	6	0		
2	Station 3 (Living Quarters) Remodel	\$998,000.00	4	2	2	4	5*	1
CAPITAL IMPROVEMENTS & REPLACEMENTS								
N/A	Station 1 (Admin Side) HVAC Only	\$115,000.00						
N/A	Station 1 (Westside) HVAC Only	\$115,000.00						
N/A	Station 3 Apron & Drainage	\$295,000.00						
1	Apparatus & Vehicles (Bond Funded)	\$1,920,000.00	6	0	6	0		
2	Bal. of Apparatus & Vehicles over 10 years	\$5,780,000.00	6	0			6	0
1	Telecom (Bond Funded)	\$1,945,775.00	6	0	6	0		
2	Balance of Telecom over 10 years	\$1,071,225.00	6	0			6	0
	Total of Bond Funded**	\$18,000,000.65						
	Total of PayGo Funded**	\$7,998,925.00						
	Total Capital Expenditures**	\$25,998,925.65						

* The project may be chosen to be done if funds exist but not allocating specific bond funding in total amount

** Includes 15% "Soft 'Owner Costs" for amounts from Major Capital Projects

(Note: The committee members unable to attend this meeting will have the opportunity to vote on the projects at the next meeting.)

During the completion of the worksheet, the following comments/questions were discussed:

- Chief Kazian stated there could be a challenge to only construct/renovate the maintenance facility at Station 1 without also doing administration.
- Station 3 – the weight room is prone to flooding and the back patio is the low point; a French drain needs to be installed; there is also a standing “pool” of water in the front parking lot after rain, which needs drainage. The upstairs patio off the crew living quarters also leaks and requires closing in to correct the issue; some items could be included in pay/go.
- Station 3 living quarters – efficiencies are needed to create a hallway that dumps into the bays instead of coming around and downstairs, creating safety issues. The restrooms on the first level are not ADA compliant. The second level of the station listed in CORE’s report is all remodel work. There was a brief discussion about possibly retaining the fire pole. The non-ADA bathrooms upstairs are existing/non-conforming in this capacity and will most likely not trigger a mandatory replacement.
- The committee discussed Assistant Chief Jeff Piechura’s recommendation regarding fleet replacement to remove a large portion into pay/go versus bonding down to \$3.017 million over 10 years; this was discussed during the meeting and revised to \$1.92 million to bond on the worksheet.
- Owning versus partnering with vendors to build cell towers was discussed – there are benefits to outright owning cell towers as SFD would have control of usage; however, we may have the opportunity to retain 51% ownership and still partner for some of the costs in the future.
- Mr. Ernster commented it would be difficult for the Board and/or committee members to decide which Telecom items are priority because they do not have the expertise; he recommended letting staff decide what needs to be done; some items including possibly portable radios and the public warning siren system could be pay/go, but all the projects must be done, preferably sooner than later. The committee also discussed the short lifetime of Telecom items, which could be obsolete in 10 years – the bonded portion used for Telecom will be paid off within the first 7 years of the bond.

- There was a brief discussion about the benefits of choosing the Construction Manager at Risk (CMAR) model early in the process, which gives the construction team the opportunity to work together during pre-construction to make critical cost-saving decisions.
- Chief Kazian reminded the group how priorities set by the 2007 citizens' committee changed due to needs and opportunities transforming – even though some items are on the list, some things may never happen for other reasons.
- The committee discussed the responsible part of this – that Governing Boards be responsible in creating capital improvement funds, so the district does not have to do another bond in 2040 – and would only need to bond for future facility/station construction.

The committee took a brief break at 11:20 AM and reconvened at 11:30 AM.

Mr. Watters then opened the floor for discussion of the draft report to the Board, as well as the Addendums, and asked that Mr. Johnson's submitted comments be considered. Chief Kazian said he wants the public to be able to quickly read and understand the report and see how a bond would impact them. The committee reviewed each section of the draft and recommended changes for Mr. Watters.

The consensus of the committee was to include a recommendation to the Board to choose CMAR as part of its recommendation.

The Addendums will be electronically linked to the report for easy cross-reference.

The committee discussed the pros and cons of making a motion to approve the report and the proposed \$18 million bond today, but consensus was to wait until more of the committee members are present at Thursday's meeting. Chief Kazian asked Mr. Watters to revise the Report as discussed today and submit the draft to him and Ms. Greer for editing; the revised draft will be available for committee discussion and finalization on Thursday. It will be included in the packets of information to the Board for the May 17th Board meeting; the entire committee was encouraged to attend the May Board meeting, if possible; Mr. Lillie stated he would be out of town at that time.

Chief Kazian said he asked the CORE representatives about how SFD's process compared in relation to other bonding processes they were involved in; the representatives said the work this committee has done is incredibly important to the success of a bond and the level to which the committee engaged and its thoughtful approach has been at a high level; Chief Kazian said the committee's work should demonstrate to SFD citizens that due diligence was used. Chief Kazian said he would be happy to answer any citizen's questions, but he would also recommend they talk to the citizens on the committee; the district wants to make sure emergency services are sustainable over the long term.

**VII. Discussion/Possible Action: Future Meeting Date, If Needed:
11th Meeting May 15, 2017 1:00 PM – if needed**

The committee decided to use the tentatively scheduled May 11th 9:00 AM meeting to finalize and formally approve the Report and recommendation for an \$18 million bond. Mr. Ernster thanked Chief Kazian and his staff for providing all needed information to help the committee reach a conclusion. Mrs. Maxwell commented at the May Board meeting, she would like the committee to make it clear to the public that all committee meetings can be viewed on line, as well as all the information and Minutes.

VIII. Adjournment

The meeting adjourned at 12:20 PM.

Original signed by Tricia Greer

 Tricia Greer, Recording Clerk to the Committee