



These Minutes were approved by the Board on 9/20/17.

Sedona Fire District

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

REGULAR BOARD MEETING

Station #1 – 2860 Southwest Drive – Sedona – Multipurpose Room
Wednesday, August 16, 2017 / 4:30 PM

~ MINUTES ~

I. CALL TO ORDER/ROLL CALL

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.

Board Chairman Ty Montgomery called the meeting to order at 4:35 PM and led the Pledge of Allegiance and moment of silence.

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

Others Present: Fire Chief Kris Kazian; Division Chief Ed Mezulis; Fire Marshal Jon Davis; HR Manager Betty Johnson; Battalion Chief Buzz Lechowski; Finance Director Gabe Buldra-JVG; GIS Specialist Tammy Schuerman; Ambulance Billing Specialist Kris Ahern; Ambulance Billing Specialist Kristy Fant; Engineer Cooper Carr; New Firefighters – Jeremy Vargas, Brian Hammerschmidt, Tyson Harding, and Mark Essary; Friends, Families, and Crew Members of new Firefighters; 1 citizen

II. REGULAR BUSINESS MEETING

A. Badge-Pinning Ceremony for new Firefighters and newly-promoted Engineer; Introduction of new Ambulance Billing Employee.

Fire Chief Kris Kazian introduced our new employees and pointed out they are filling vacancies created by employees leaving the district – they are not new positions.

Kristy Fant, Ambulance Billing Specialist I: Kristy has been with SFD almost 3 weeks; she was born and raised in southern California, but her family moved to Northern Arizona where she graduated from high school in Flagstaff. Kristy was married in 2009 and moved to Texas with her husband, where their son, Carlos, was born. To be closer to family, they moved back to Arizona and now live in Camp Verde.

Chief Kazian then opened the Badge-Pinning ceremony for Firefighters. He stated the badge represents a shield to protect us and has much tradition built-in.

SFD recently conducted an Engineer testing process with 11 in-house applicants and all passed, but one was on top and that was Cooper Carr; he is the brother of SFD Captain Casey Carr. Cooper started his fire service career as a Hot Shot Wildland Firefighter in Prescott National Forest. He has been an active and effective SFD Firefighter for 10 years and is currently a Lead Technical Rescue Team instructor and works with probationary firefighters in learning Taskbook requirements; his supervisor recently wrote that Cooper is a natural leader and excellent team member. He was badge-pinned as an Engineer by Captain Eric Lewis, who has provided mentoring to Cooper. Congratulations, Engineer Cooper Carr.

Chief Kazian introduced the 4 probationary Firefighters, as follows:

- Jeremy Vargas is a native of Flagstaff and previously worked at his family's automotive shop; he enjoys restoring cars and has 9 Volkswagen Beetles to be restored; he also has a great passion for firefighting having volunteered at Ponderosa Fire; Jeremy received his Associates of Applied Science in Firefighting. Firefighter Vargas was badge-pinned by his father, Alfred.

- Brian Hammerschmidt has his mother, father, and stepfather here today. Brian is the single father of 3 children; he was raised in Colorado where he spent time mountain climbing, biking, and gardening, which he still enjoys. Brian graduated from Paradise Valley High School and received an Associates degree from Scottsdale Community College; he previously worked for Rural Metro Fire in the AkChin Indian community. Brian's mother, Belinda, pinned him.
- Tyson Harding has his pilot's license, but got hooked on firefighting after talking to a friend; he worked at Buckeye Valley Fire and at Amazon as an on-site Medical Technician, and also spent time at Rural Metro Fire; Tyson brings many years of customer service to SFD; he is married to Shayna and they are expecting their third child. Tyson was pinned by his wife.
- Mark Essary is from Queen Creek, Arizona; he attended Maricopa College and received an Associates degree; he is married to Becky; they have 2 children; Mark and his wife previously ran a home remodeling business; he enjoys family, fishing, and camping trips. Mark was badge-pinned by his wife.

After the badge-pinning ceremony, a brief recess was held.

B. Public Forum:

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

The meeting was back in session at 5:10 PM. There were no requests from the public to speak.

B. Consent Agenda – Discussion/Possible Actions:

- 1. July 19, 2017 Regular Board Meeting Minutes.**
- 2. Purchase Order #9482 to Atmosphere in the amount of \$14,041.56 for Office Furniture on State Contract pricing.**
- 3. Purchase Order #11036 to MES-Arizona in the amount of \$13,000 for SFD's uniform program.**

Board Member Tim Ernster moved to approve the Consent Agenda, as presented; Board Clerk Corrie Cooperman provided a second, and the motion was unanimously approved.

C. Staff Items:

- 1. Presentation: Information regarding SFD Bond Election.**

Chief Kazian said we have two handouts to utilize for factual answers to questions about the bond election – Frequently Asked Questions and SFD by the Numbers – which were vetted by the bond counsel and can be distributed to the public. These are still in draft format tonight, but if there are no questions or objections by the Board, will be finalized tomorrow; Mr. Soto asked for more easily understood wording regarding the call volume. These two fact sheets will be posted on the SFD website at www.sedonafire.org under Bond Info.

Mr. Ernster asked if staff would be giving any educational presentations to community service groups; Chief Kazian replied, yes, and he has already spoken to the Kiwanis and Rotary, and will be giving a presentation at Big Park Regional Council in September; also, if any local homeowner associations or small groups of citizens would like to have a presentation, please contact Chief Kazian. Board Member Abe Koniarsky asked if this information could be posted at the Sedona Public Library; Chief Kazian said if they are willing to put it there and it is legally compliant, then we would be happy to do so.

Mrs. Cooperman asked if there was any thought to mailing these out to citizens; Chief Kazian said the district chose to mail a voter pamphlet to all registered voters; a post card being produced by the county announcing the election is also being sent at a cost of \$3,500 for postage. Mrs. Cooperman said as this is going to be a mail-in only ballot, it would be helpful in making a decision to mail information to voters; he could get legal advice regarding that from bond counsel. If the Board so desires, they could approve mailing information at next month's meeting – ballots will be mailed out in mid-October. Mr. Soto also suggested researching an insert in the *Red Rock News* and/or *The Villager* newsletter, which may be less expensive than mailing. Chief Kazian said it is critical that SFD only provide factual information and not give a pro or con statement about the bond.

Chief Kazian and Finance Director Gabe Buldra then presented a PowerPoint looking at SFD's numbers from Fiscal Year 2012 to the present, as follows:

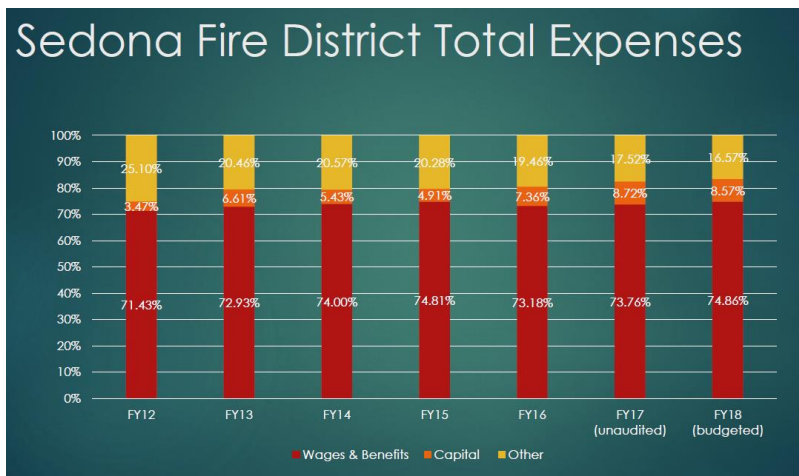
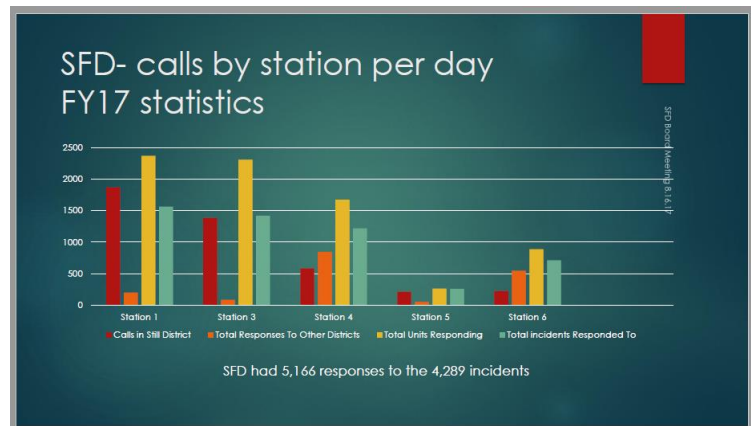


Projects Considered by the Committee	Est. Bond Project	Soft Cost Factor	Est. Bond Purchase	Estimated Budget Pay As You Go
Station 4 (UT) Demolish/Rebuild*	\$4,945,096	\$741,750	N/A	N/A
Station 5 (OCC) Relocate/Rebuild*	\$2,619,864	\$392,979	N/A	N/A
Station 3 (VOC) Structural/Other Repair*	\$1,045,000	\$156,750	N/A	N/A
Station 1 (WS) Renovation- FF Quarters*	\$1,715,000	\$257,250	N/A	N/A
Station 1 (WS) Renovation- Administration*	\$931,544	\$139,731	N/A	N/A
Station 1 (WS) Replace Maint. Facility*	\$1,034,127	\$155,119	N/A	N/A
Station 3 Renovation FF Quarters (w/soft Cost)*	N/A	N/A	N/A	\$1,147,792
Capital- Apparatus/Vehicles/Equipment	N/A	N/A	\$1,920,000	\$6,005,250
Capital- Telecommunications Equip	N/A	N/A	\$1,954,000	\$3,305,000
Sub-Total	\$12,290,631	\$1,843,579	\$3,874,000	\$10,458,042
10 Year Capital Plan Grand Total		\$14,134,210	\$18,008,210	\$28,466,252

*Building Projects include a 10% contingency **Soft Costs include permit fees, connection fees, architect fees, etc.

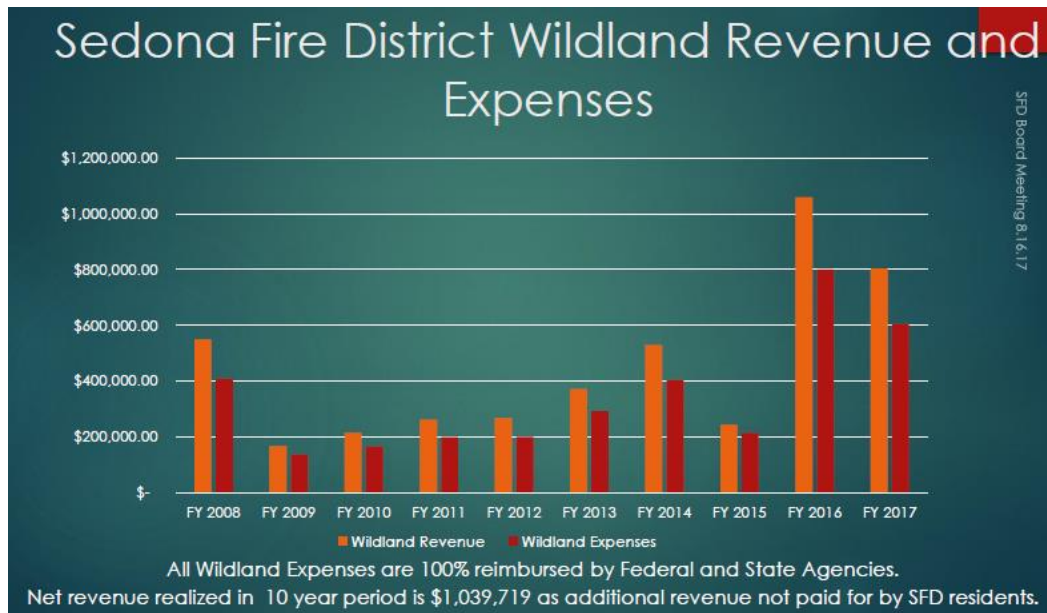
Chief Kazian said the \$17.9 Million bond and remaining capital projects comprise the \$28,466,252 ten-year capital plan total considered by the Citizens' Advisory Committee. Finance Director Buldra said it is important to understand this is a plan and in addition to bond funding and planning through the tax levy, the district is always looking at ways to create financial sustainability, such as grants, to move through financial challenges. Chief Kazian said over a ten-year period, things can change as priorities shift; staff is constantly monitoring needs going forward.

Chief Kazian showed the Fiscal Year 2017 call statistics for each station – the red columns show each fire station's call volume in its still district (first-out area around the station), but the green column shows the actual number of calls to which that station responded. This is due to a variety of reasons, but includes covering for another station out on other calls. The yellow bar shows the actual number of units (vehicles) that responded. Station 6, which gets a lot of scrutiny, received 224 calls in that still district, but Station 6 crews actually responded to 711 calls utilizing almost 900 units.



Mr. Buldra said this slide shows where our money has gone from FY 2012 to now – in fire districts throughout the state and country, predominantly, 75% to 85% of costs are in personnel with remaining expenses in capital, overhead, and other items. For Sedona Fire, over the last 5 years, the personnel costs of total expenses has averaged around 74% (lower red portion of columns) and it has not jumped above that at any point in the last 5 years; the orange part of the bar represents capital

purchasing and in FY 2012, capital funding was relatively low. Only in the last 3 years did funding for capital really increase and improve; it is interesting to note the district’s overhead (other expenses) has been cut since 2012 until now – through more efficient operations.



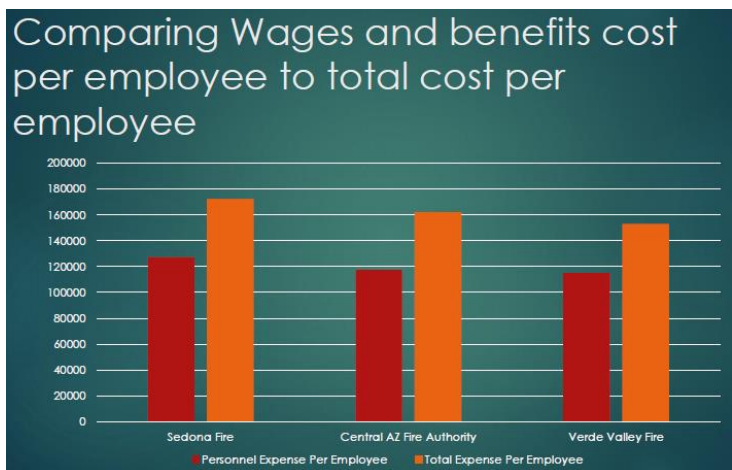
In looking at other revenue since 2008 to last fiscal year, in wildland revenues and expenses, over that 10-year period, SFD has netted an additional \$1 Million in revenues after expenses. This program also provides skills and training through experience for our crews to be ready when there is a significant wildland event in our district. He said there is a significant benefit of

wildland, but it does skew our personnel cost percentages (even though those costs are reimbursed by other agencies). Chief Kazian noted the last two years have been particularly busy in wildland, and SFD’s part in creating a wildland medic program has significantly increased our revenue.

Mr. Buldra stated this slide represents personnel expenses compared to budget. The variance between the two among these 3 organizations – Sedona, Central Arizona, and Verde Valley Fire Districts – is relatively close; he noted Verde Valley is a smaller margin, but they also have a smaller budget.



The next slide compares wages/benefits per employee of the 3 agencies. The margin between the two is comparable across all three agencies, which in his experience working with fire districts across the state, shows SFD’s costs and allocations of expenses is well within the norm compared to neighboring partners. Chief Kazian said when comparing SFD to other agencies, noting many different variables, when he looks at comparisons of costs per employee – such as SFD’s pension percentage compared to another PSPRS agency – we are at 34% pension costs for firefighters compared to Prescott Fire at 90% pension cost – it varies from agency to agency and some could be lower than SFD – these are set by the State and we have no local control over those percentages. Or there could be higher or lower Workers Compensation fees included in “Benefits” and other items such as



health insurance at varying rates; SFD has contained our healthcare insurance costs over the last 2 years through our own efforts and initiatives. He noted that HR Manager Betty Johnson ran a report for him recently that showed through Fiscal Year 2017, SFD averages 11.85 years of tenure for employees with the district and this also affects the salary numbers, as some agencies may average only 3 or 5 year employees making less money.

Employee Average Pay FY 2017	Includes Sedona Fire Related activities to provide emergency services with the necessary administrative support needed to serve our community			Includes Out Of District Wildland Response earnings which are 100% reimbursed
Employee Count	Position	Average Base Pay	Average Pay With Overtime	
(Short 3) 39	Firefighter	\$ 58,099.17	\$ 66,428.86	\$ 71,391.05
15	Engineer	\$ 77,343.13	\$ 93,414.00	\$ 94,458.92
15	Captain	\$ 86,800.45	\$ 103,743.87	\$ 111,212.83
3	Battalion Chief	\$ 110,472.45	\$ 132,089.81	\$ 150,612.80
4	Fire Chief, Asst. Chief, Div. Chief & Training Officer	\$ 118,436.40	\$ 127,547.92	\$ 129,895.57
76	Operational Staff	\$ 72,757.07	\$ 84,871.30	\$ 89,958.63
13	Admin/Support	\$ 59,215.26	\$ 60,446.31	\$ 60,446.31
3	Managers & Fire Marshal	\$ 90,350.56	\$ 91,164.16	\$ 91,164.16
16	Non-Operational Staff	\$65,776.26	\$ 66,919.35	\$ 66,919.35
92	Entire SFD Staff	\$ 71,561.03	\$81,795.54	\$ 86,011.24

Mr. Buldra said this slide breaks out our cost per position showing SFD's average pay based on position and indicates how the wildland response generates revenue but also adds to personnel costs, understanding those increased costs are reimbursed to us by the state. This chart shows regular overtime and wildland out of district overtime.

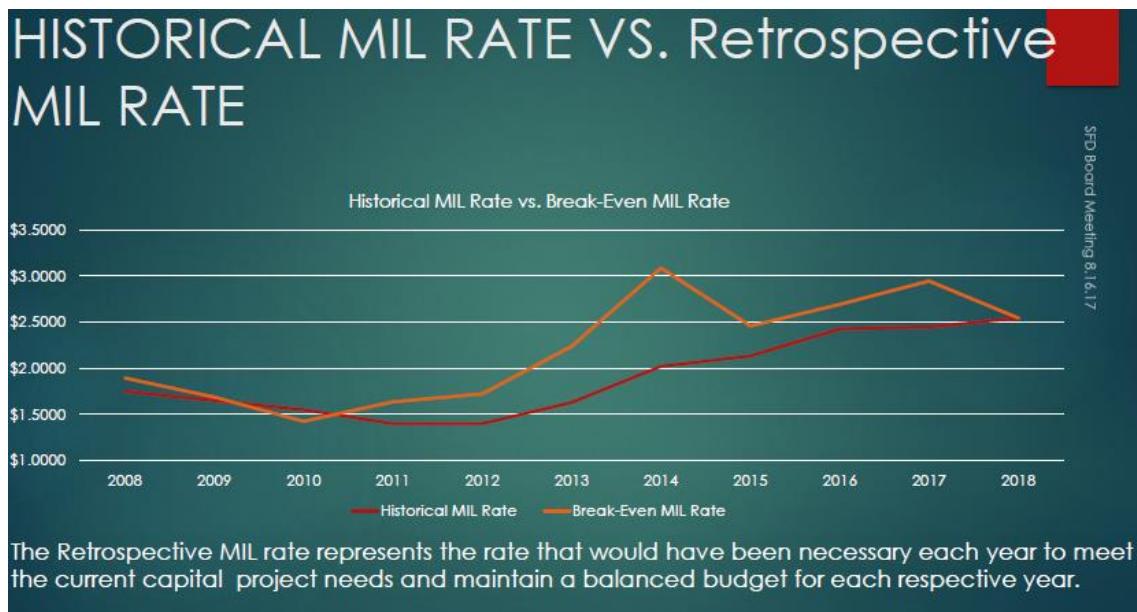
Mr. Buldra stated this graph has been included in budget presentations; the red columns represent the assessed value (AV) and the orange line is the mil rate; what happened at SFD is that as the AV dropped, decisions by a previous Board were made to lower the tax rate during that time, so instead of keeping taxes more level, it caused a big spike in the mil rate in order to catch up after funds were depleted. Chief Kazian commented the tax rate



should have fluctuated up and down to keep funding level; there is an inverse relationship - when AV goes down, the mil rate (multiplier) should go up because our operation costs are still there.

The Board must help create and approve budgets and short of discussion points of what we should have done, Chief Kazian said we are where we are today and the concern would be the orange line and where it is going – the \$3.25 cap is in place. There is a direct relationship between when AV drops, the mil rate must go up; another key point is in FY 2010, the AV was \$803 Million and in FY 2018, it is \$538 Million, showing years of lost potential if the mil rate had stayed the same instead of dropping; we are now playing catch-up to provide services to our community. Some people look at mil rate as a measure of effectiveness, but it is really more of a factor of math.

Mr. Buldra said they did an analysis of where the mil rate should have been, historically; this is not only taking into account the decrease in AV, but also looking at 2008, he said had we paid for capital needs and not spent down the fund balance, our tax rate would have been higher in the last 5 or 6 years than what it really was. It



illustrates that we artificially kept costs down at the sacrifice of fund balance and improvements. In FY 2018, we developed the budget to start addressing those needs and that is why when you look at the retrospective, you see that intersection at

FY 2018; it really shows that you would have either paid for it in the past or in the future – either way, these capital projects and the district’s financial needs were there.

Chief Kazian noted SFD did have a Capital Plan in FY 2007/2008 when a Citizens’ Committee talked about many of the same needs discussed in the 2017 Citizens’ Advisory Committee. There was a recession during that time period and decisions were made. Mrs. Cooperman commented that is why we did not have money to spend on capital items and why we have so many capital items that must be addressed in maintenance and important structural modifications. Chief Kazian said in looking back, the capital for many years was about \$400,000 in capital budgeted items and in the last couple of years, the average capital needs is about \$860,000 – we have almost doubled what we were putting in capital before and we are still behind. Mr. Soto asked when we see trends and AV dropping, and in order to meet operational obligations, we tend to increase the mil rate, is there a point when we must realize the need for reduction in budget across the board, such as a 10% exercise. Mr. Buldra replied there is a difference between a dip that we see versus the point where there is no foreseeable relief in the future; that is when you have to consider absorbing the impact through a change in rate or making cuts; our spending did not decrease much, we just decreased the amount of money from taxpayers and funded the budget with reserve funds. Chief Kazian added that we had dialogue with labor to work things through with a large respect for where the mil rate and cap are, and the necessity to talk about long-term plans and sustainability. SFD has matured greatly in that way over the last few years and we owe that to our citizens to make sure we are operating in a sustainable manner. We start every year with a zero-based budget, and make our managers justify everything they propose in the budget.

An annual look at SFD Taxes For The median home in the DISTRICT



Property Taxes on the median home value have increased 10.8% from FY 2009 to FY 2018

This slide regards the median home price within SFD and the mil rate. Chief Kazian said some people note the big increase of taxes on homes, but there are two considerations – one is the median home price in 2011 was considerably lower than in 2017; of course, as your home has a higher value, you could

expect to see different taxes; additionally, fire districts tax on the lower secondary values instead of the primary, as it used to be.

Median home Tax if Retrospective Approach would have been done

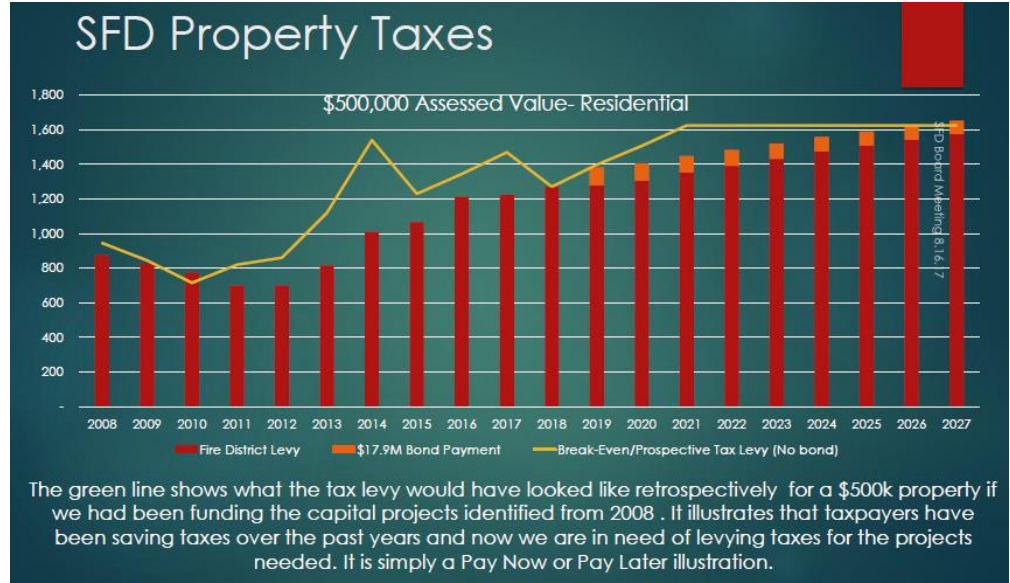


Graph illustrates where the Mil Rate would have to have been to fund the capital projects via the Operating Budget over the last 10 years

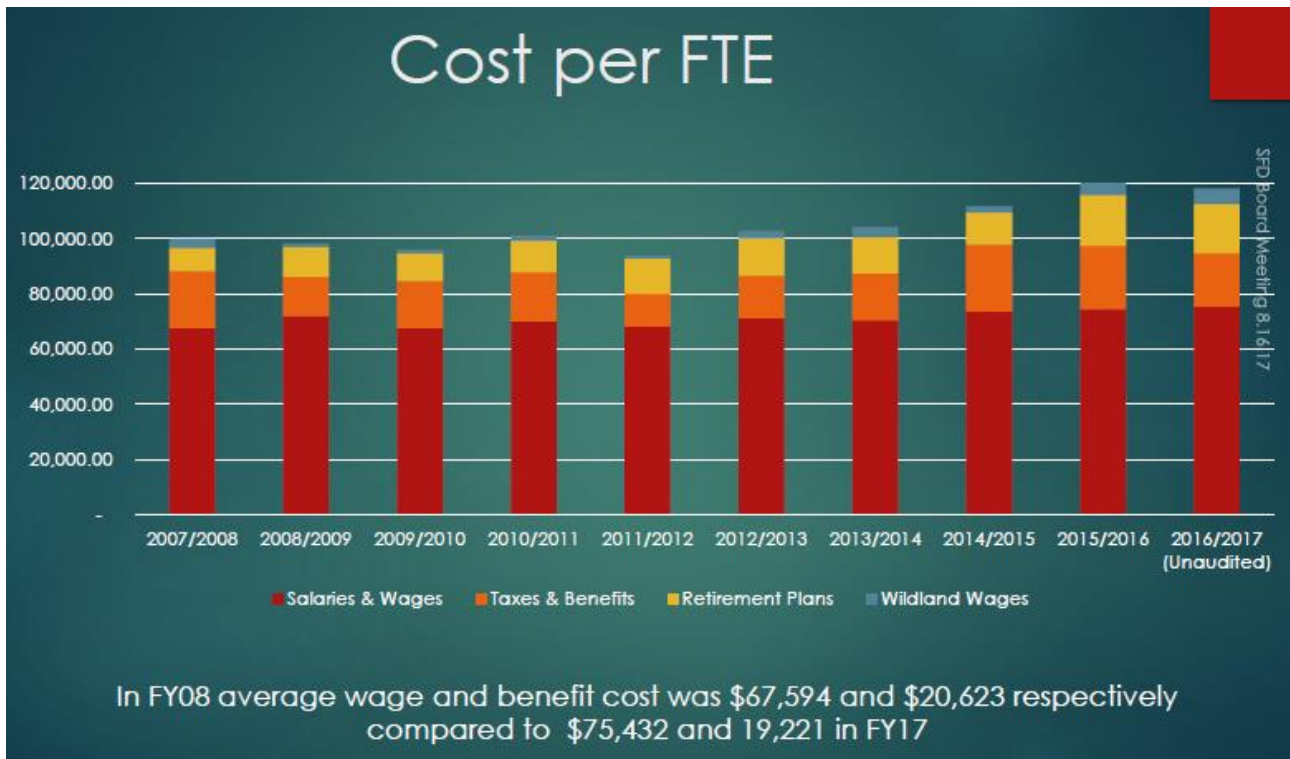
If we had funded \$1.6 Million capital every year since 2008, this slide shows the trajectory we would have had and what each median home would have paid; taxes would have fluctuated, but instead, lowering the mil rate during the recession has now caused taxes to go steadily up on median homes. If you add up 10 years of property taxes, homeowners would have paid \$1,100 more in taxes – about \$111 per year. He said we are now considering a bond that will cost the median home about \$82 per year. Decisions were made at the Board level to reduce the mil rate, but the operational needs were still there.

Mr. Buldra said the following slide puts the break-even tax levy analysis over the historical SFD levy and the projected levy with the bond on a \$500,000 assessed value property. We have no analysis that shows it would

have been cheaper to do this 5 or 6 years ago versus doing it now going forward; most analysis shows the method we are using now is more cost-effective than it would have been in the past because the use of the bond allows us to level out the cost over a longer period of time. The orange bars at the top of red columns on the right illustrate what would happen if the bond is approved by the voters and how the funding of that bond would affect taxes on a \$500,000 home; not until year 2027 does the bond payment plus taxes exceed where we would have been had we funded capital all along.



Mr. Buldra said this slide shows the cost per full-time employee (FTE) and how our personnel have been compensated in relation to inflation/consumer price index. He also wants to show the cost per FTE – the red bar represents salaries/wages, orange represents taxes/benefits, yellow is retirement plans, and the blue is wildland. From 2008 until last fiscal year, it went from just under \$100,000 per FTE to just under \$120,000; that is only a



\$20,000 increase over a 10-year period; we are not seeing massive increases in benefit costs and salaries/wages; in fact, they have maintained a fairly equal ratio and we have decreased some of our benefit costs through the years; however, the state-mandated public safety pension has gotten larger, but good management decisions such as changing health insurance plans, etc., maintained the ratio.

Sedona Wage & Benefits per FTE trend vs CPI

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	COMPOUND ANNUAL GROWTH RATE (CAGR) FOR PERIOD
CPI	-0.34%	1.64%	3.16%	2.07%	1.47%	1.62%	0.12%	1.26%	2.22%	1.71%
% Change per FTE	-1.96%	-2.12%	5.20%	-7.12%	9.48%	1.48%	7.10%	11.00%	-4.75%	1.85%

The increasing costs of PSPRS has had an impact on the actual percentage costs of SFD Benefit costs

Mr. Buldra said when they looked at the consumer price index (CPI) from 2009 to 2017, and the change in cost per FTE (total wages/benefits) from the same period, the compound annual growth rate of inflation was 1.71% and cost per FTE was 1.85%.

The next slide shows wages have been under the CPI over the last 9 years in comparison; our cost per FTE has slightly increased, yet the take-home

Sedona WAGE FTE trend vs CPI

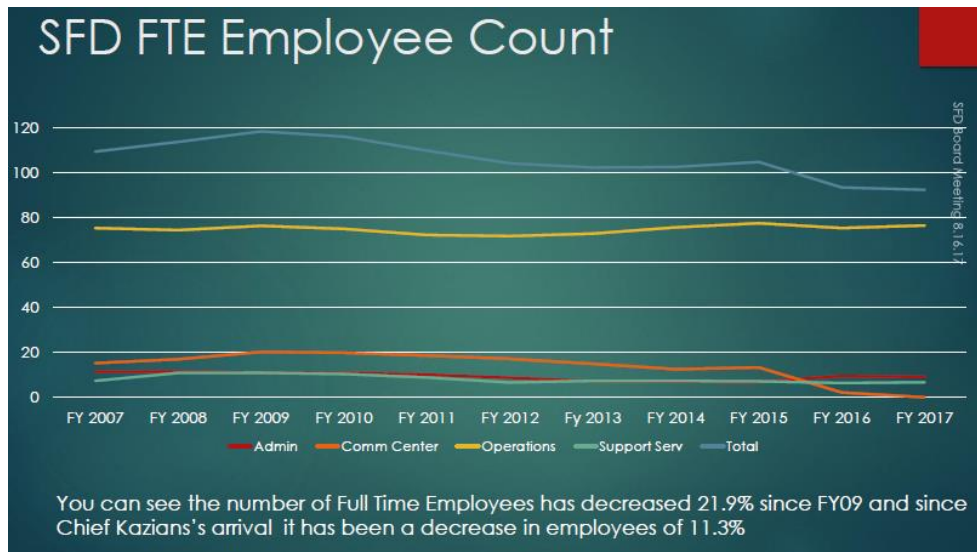
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	COMPOUND ANNUAL GROWTH RATE (CAGR) FOR PERIOD
CPI	-0.34%	1.64%	3.16%	2.07%	1.47%	1.62%	0.12%	1.26%	2.22%	1.71%
% Change per FTE	6.50%	-6.09%	3.57%	-2.67%	4.42%	-1.03%	4.53%	1.21%	1.24%	1.23%

This chart illustrates that SFD wages are actually not keeping up with the CPI over 9 years

wages have been just under that; a major reason of the overall cost increase was for items outside of SFD's control, such as pension, which is not only the biggest impact on SFD's bottom line, but on agencies across the state, which shows SFD is not out of the norm.

Chief Kazian then referred to the slide below on FTE count from Fiscal Year 2007 to FY 2017; in FY 2009, SFD had a FTE count of 118 employees

(the blue line) and now, it is 92. Our FTE count is down considerably – 21% overall – since Chief Kazian's arrival at SFD. The yellow line represents Operational staff, which is on a slight increase since FY 2013; in 2012, SFD was short 3 employees, so 3 people were hired to get up to the needed staffing. For our operational needs to staff Station 6, 3 positions – one per shift – were added. Mr. Buldra noted an outside firm was hired to do an overtime analysis, which determined it was more cost-effective to hire the 3 additional FTEs than to utilize overtime for coverage. The teal-colored line at the bottom represents Admin/Support staff, which decreased from 2009, but has been fairly level. Mr. Ernster commented this graph tells an important story about the district since 2007 and is critical to get this information out to the public; he asked if this PowerPoint would be available on the website; Chief Kazian responded, yes, and in the Minutes.



Chief Kazian relayed that yesterday, he spoke to a concerned citizen who adamantly asserted the fire district has “exploded” in employee growth; the Chief shared the correct information with him, but, sadly, the citizen refused to believe the numbers. Chief Kazian stated vacancies are not always filled – this year, we lost a Fleet Maintenance Supervisor and did not replace it; our Finance Manager retired and was not replaced; however, we have just hired an Administrative Specialist to help with the “lean” Administrative side which was cut to “bare bones”. We have also added a Fire Inspector because statistics show we are not meeting the needs for inspections, but other positions remain vacant. Chief Kazian said this presentation was to show the numbers where we are as an agency and where we must go in the future through bond utilization.

Chief Kazian said regarding the bond process, we had a deadline last Friday to collect statements for the voter pamphlet. We received 20 statements – 15 “pro” and 5 “cons”; state statute requires that any misrepresentations of truth be corrected, so we spent time providing the facts on 9 statements (both pro and con); this morning, we submitted them to be translated into Spanish, as required, and were informed by the bond attorney that he had forgotten to inform us that we could only use a maximum of 10 pro and 10 con statements; he has not had to enforce this requirement since 1993 (as, typically, less than 10 have been received). Staff then randomly selected (by drawing numbers out of a hat) 10 of the 15 submitted pro statements. Post cards will be mailed to voters by the county informing them of the upcoming bond election. The voter information pamphlet will be mailed at the beginning of October, and ballots will be mailed in mid-October; ballots must be turned in by November 7th.

2. Purchase Order #11035 to United Fire Equipment in the amount of \$31,000 for SFD’s uniform program.

Chief Kazian explained this is for our uniform program and is an annual, budgeted expense. *Mr. Montgomery moved to approve #11035 to United Fire Equipment in the amount of \$31,000 for SFD’s uniform program; Mr. Ernster seconded, and the motion was unanimously approved.*

3. Purchase Order #10854 to FDC Rescue Products in the amount of \$27,670.80 for turnouts.

Chief Kazian said this budgeted item is for the replacement program of turnouts – important safety gear for our Firefighters; there are improvements made every year for turnout gear – in fabrics and standards – to make them safer and SFD is moving toward the newest standards. It will take at least 120 days for the turnouts to arrive. *Mr. Ernster moved to approve Purchase Order #10854 to FDC Rescue in the amount of \$27,670.80 for turnouts; Mrs. Cooperman seconded, and the motion was unanimously approved.*

4. Purchase Order #10613 to Braun Northwest Inc. in the amount not to exceed \$141,000 (including sales tax) for refurbishment to an existing SFD ambulance.

Chief Kazian said SFD has been purchasing from Braun Northwest for many years, and now, we are at the point when we can get an older ambulance refurbished; this will be the re-chassis, re-paint, touch-up, and fix of any issues that need attention. Division Chief Ed Mezulis has worked hard to make sure we will get the highest quality improvements; Chief Mezulis said the cost to refurbish an ambulance is substantially less than to buy a new one. This refurbishment will take an older ambulance with 156,000 miles and bring it up to standards extending its life for many years. He said this represents \$40,000 to \$50,000 in savings and this plan was set in motion long ago when the ambulance was purchased. Mrs. Cooperman said she really appreciates the effort to save money and still have a modernized ambulance. *Mrs. Cooperman then moved to approve Purchase Order #10613 to Braun Northwest Inc. in the amount not to exceed \$141,000 (including sales tax) for refurbishment to an existing SFD ambulance; Board Member Dave Soto seconded, and the motion unanimously passed.*

Mr. Soto asked about the plan for ambulances to be refurbished as an on-going periodic process; Chief Kazian replied we have an ambulance chassis process going forward as part of the Capital Plan as part of that \$28.4 million. Currently, SFD has 7 ambulances – one is not a Braun Northwest; we are refurbishing a 2008 model – a model when Ford switched motors and which has had internationally chronic problems; the newer 3 ambulances purchased since 2013 will provide quite a few more miles because the quality of Ford’s chassis has improved and the all-aluminum construction of the boxes holds up well. Chief Kazian noted as priorities change, for example, if these chassis hold up longer, that pushes back those expenses 2 more years in the Capital Plan.

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

a. Discussion/Possible Action: Review and Approval of July 2017 Finance Report.

Finance Director Buldra presented the July Finance Report – the first month of the new fiscal year with low revenues and low expenses. SFD received \$71,298 in property tax revenue, usually from the prior levy year; non levy revenue was \$196,682 and over projection due to wildland revenue. Personnel expenses were \$726,836; we were under budget by about \$300,000 due to the accrual of previous year’s payroll. Vehicles, Equipment, Utilities, and Managerial expenses were over slightly due to some first-time payments; Capital and Contingency were at \$40,658. Mr. Buldra said total expenses for the month were just over \$1 Million, whereas budgeted was \$1.3 Million. The Board previously approved the required PSPRS pay-out be paid, which was done in July and actually recorded on financial statements as an asset because we receive credit from PSPRS, and will be able to track it until fully repaid. Personnel expenses were at 77%, Capital/Contingency at 10%, Operations at 8%, and Managerial at 6%. For year-over-year cash position, we ended the month at \$3.9 Million compared to \$3 million last year, taking into account the \$780,000 paid out for PSPRS, which will come back to us; our fund balance has grown quite well year-over-year and we see that increase in other asset sections; finally, liabilities increased mainly due to transfer of funds between wildland fire fund and operating fund accounts. Finance Specialist Pam Wester is working on audit preparation – auditors will be on-site in October. *Mrs. Cooperman moved to approve the July 2017 Finance Report; Mr. Soto seconded and the motion was unanimously approved.*

6. July 2017 Monthly Fire Chief Report – 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. Cottonwood Public Safety Communications Center.

ii. Correspondence/Thank You Letters to SFD.

iii. 9/11 Observance Ceremony, Station 6, 9:11 AM – Public is invited.

Chief Kazian reported:

- 408 calls in July – taking SFD to 2,599 year-to-date with an average response time of 6 minutes, 21 seconds. SFD is continuing to have multiple simultaneous calls frequently; there were 10 back country calls. Mrs. Cooperman asked about the increase in false alarm/false calls; Chief Kazian replied a property had multiple alarms going off over days due to a faulty system, which caused us to respond quite a few times; staff is working on a false alarm policy to curtail those events; additionally, a large amount of lightning could have contributed to setting off alarms.
- Under Grants, we still have not heard from ADEQ, although we check almost every day. The documentation class (\$6,000 from NAEMS) and car seats (\$800 from Wal-Mart) fund requests were granted. We are constantly looking for ways to lower costs for taxpayers.
- We are working to report Incident Counts by Station more accurately.
- We received two donations.
- Under CRM, Fire Marshal Jon Davis addressed the false alarm calls; he said there were 2 properties last month who had false alarm calls – both properties had alarm system malfunction and staff is working with them to get those fixed. As the Chief mentioned, he will be bring a False Call Policy to recommend for adoption soon. He said CRM staff is moving through the hiring process for the Community CEP/Fire Inspector position; we have 2 internal applications. SFD received conceptual plan reviews for a 189-unit hotel in the Village of Oak Creek at the corner of Jacks Canyon and SR179; there is also another fairly large hotel being proposed for the former-Biddles’ property in West Sedona, and apartments are proposed to the east of Relics. He said the Relics building is for sale, but is totally separate from the proposed apartment complex.
- Under Training, Firefighters Richard Winn and Nick Granada have completed initial probation. Additionally, Chief Kazian announced Training Officer Michael Duran, who is present with his wife, Claudia, was recognized for having achieved the designation of Chief Training Officer – one of only 104 in the world to

have achieved this designation. Training Officer Duran thanked his wife and family for supporting this strenuous, time-intensive endeavor. This is a first step for the district to achieve credentialing following NFPA standards. Officer Duran noted that Chiefs Piechura and Kazian previously achieved Chief Fire Officer designation. Chief Kazian added these are extremely difficult to achieve and maintain and is encouraging Chief Medical Officer for Division Chief Mezulis. He is proud of Officer Duran for his hard work and commitment to this prestigious designation. Also, under Training, GIS Specialist Tammy Schuerman attended a GIS conference to learn about mapping using drones. SFD is working on a drone safety process, because of our proximity to the airport. Staff is very excited about future potential using drones. BC Buzz Lechowski, Engineer Brian Espiau, Chiefs Piechura and Kazian, as well as Board Clerk Cooperman all attended the Arizona Fire Service Leadership Conference in July.

- SFD received a great thank you letter from a gentleman listing “things he learned here” when hiking unprepared; he was thankful for our service.
- The Cottonwood Public Safety Communications Center experienced a power outage when a line was cut in Camp Verde by the road construction crew which took out 9-1-1 lines, internet, etc. for customers from here all the way to Denver. This magnified the vulnerability of systems in fiber optics and lack of redundancies are concerning to Chief Kazian; SFD monitors these outages as there have been a couple in the last few years.
- SFD will hold a 9/11 observance ceremony at the SFD 9/11 Memorial at Station 6 beginning at 9:11 AM on September 11th; Sedona Police, and the Sedona-Verde Valley Firefighter Honor Guard will participate; the public is welcome and encouraged to attend.

D. Board Items:

1. Discussion/Possible Action: Approval of SFD Board Policy #2017-01, Fire Chief Annual Evaluation Process.

Mr. Montgomery said the Board and Chief Kazian recently went through the Fire Chief’s successful evaluation process and decided to formalize the process as a Board Policy. *Mr. Montgomery then moved to approve Fire Board Policy #2017-01, Fire Chief Annual Evaluation Process; Mr. Ernster seconded, and the motion was unanimously approved.*

2. Discussion/Possible Action: Resolution #2017-06, Formal Acceptance of Quit Claim Deed for property located at 391 Forest Road, Sedona, Arizona from Coconino County.

Chief Kazian said last month, the Coconino County Board of Supervisors approved a Quit Claim Deed for the property under Station 4 in Uptown deeding it to Sedona Fire District; to formalize their action, Coconino County has asked SFD for a Board Resolution accepting the parcel. After approval, we will send the Deed to Coconino County for recordation. Mrs. Cooperman stated this is an important accomplishment and will allow SFD to go forward to replace the aging station. *Mrs. Cooperman then moved to approve Resolution #2017-06, formally accepting the transfer of ownership from Coconino County to Sedona Fire District of Coconino County Parcel #401-17-019E; Mr. Ernster provided a second and the motion unanimously passed.*

III. FIRE MARSHAL’S SAFETY MESSAGE

Fire Marshal Jon Davis pointed out it is back-to-school time, which brings attention to pedestrian safety; here in Sedona, that means it is not just about kids, but visitors, and drivers looking at the red rocks; it is not only a reminder to drivers, but also incumbent on pedestrians to be alert. Fire Marshal Davis reminded all to keep eye health in mind when viewing the solar eclipse on Monday.

IV. ADJOURNMENT

The meeting was adjourned at 6:18 PM.

Original signed by Corrie Cooperman

Corrie Cooperman, Clerk of the Board