

**EMERGENCY SERVICES COMMISSION
PUBLIC MEETING
Station #1 – 2860 Southwest Drive
March 15, 2007 / 6:00 PM**

MINUTES

I. CALL TO ORDER/ROLL CALL.

Chief Shobert called to order at 6:05 PM.

Present:

SFD Employees – Fire Chief Matt Shobert, Battalion Chief Terry Keller, Finance Manager Sandi Schmidt, Management Assistant Tricia Greer (as Recorder)
SFD Fire Board Members – Caryn Maxwell, Joy Moore, and Attorney to the Board Bill Whittington
SFD Citizens – Don Harr, Bill Minard, Jim Evans, Lonnie Lillie, Carolyn Fisher
Financial Advisor – Curtis Shook, Peacock, Hislip, Staley & Given, Inc.

Absent: Gary Karademos, Judith Keane, Char Beltran (or other Sedona Chamber representative), Charles Christensen, Al Wolfe

II. OPENING REMARKS/INTRODUCTIONS.

Chief Shobert thanked the group for their participation. He said a wide variety of citizens from the greater Sedona area have been asked to be a part of this committee. The group was then introduced.

III. ELECTION OF CHAIRMAN OF COMMITTEE.

This item was tabled until the full group is present at the next meeting.

IV. “WHY ARE WE HERE?”

Chief Shobert stated our Sedona Fire District is growing. Arizona is one of the fastest growing states in the country, and Yavapai County is the fastest growing county in the state. He then presented the maps of the district to the group and indicated where the fastest growing areas of the district are located including the end of Verde Valley School Road and the Red Rock Loop Area.

SFD is committed to the goal of a four minute, or less, response time to all emergency calls (which is currently achieved by SFD about 71% of the time) because fires will double every minute, and American Heart Association standards are four to six minutes for response to heart attack victims.

One dilemma of responding within the four minute time frame is traveling down Highway 179, which is why the Chapel area has been targeted as a good location for a future fire station. Chief Shobert indicated on the fire district map that populated areas are fairly well covered, and showed that the blue areas on the map are ones that have been developed and red areas are to be developed. According to the map, the Chapel area is scheduled for tremendous development.

Chief Shobert stated he is looking for input from this citizen committee as to how we prioritize our capital and infrastructure needs. Recently, a series of letters have been mailed to some members of the community; some of the information in the letters is correct, some is embellished, and some of the information is false.

About two and a half months ago (before Assessed Valuations for the coming fiscal year were known), Chief Shobert contacted Curtis Shook with Peacock, Hislop, Staley & Given, Inc. to discuss how the

district could efficiently and effectively meet the financial needs for the future. Mr. Shook outlined several different methods to provide financing for our infrastructure. Chief Shobert wants to spend taxpayer dollars effectively and accomplish the right capital projects for the right reasons without creating problems. He further said the Assessed Valuation (AV) from Yavapai County last year increased by 13% and this year, the increase will be 24%. Ms. Fisher asked if that would mean an increase in SFD's budget even without an increase in the amount taxpayers are assessed for fire protection; Finance Manager Sandi Schmidt answered affirmatively.

Currently the SFD tax rate is 1.75 of AV, which means for every \$100, citizens are taxed \$1.75 for the district. The statutory limit for the tax rate is 3.25. Chief Shobert stated each year, SFD begins the budget process not knowing what the AV will be, and then finds out about two-thirds of the way through budgeting what the numbers will be for the next fiscal year. SFD is the largest fire district in the state in terms of geographic size, with a population estimated to be between 16,000 and 24,000. Our tax rate of 1.75 is the lowest in the state compared to the other 12 largest fire districts over 100 million of AV, but the expectations for service of the community are tremendously different. Additionally, SFD's commuting work force and tourists cause a 33% increase to our emergency response. Mr. Harr requested a copy of the budget; Chief Shobert stated Mrs. Schmidt was preparing copies of the 2006/2007 budget, as the upcoming Fiscal Year budget is still in preparation. Ms. Fisher noted our 1.75 rate brings in a lot of money compared to other districts; she also commented she appreciates Chief Shobert involving the community in the financial discussion. Ms. Moore commented we provide a very high level of service, and some of the other districts that charge the same, or higher, tax rate do not include ambulance services.

Mr. Minard asked exactly why is the committee here – to look at the money coming in and what to do with it, or deciding what should be built? Mr. Shook responded SFD has a Strategic Plan in place, and within that plan, there are a number of capital infrastructure items. Depending upon what is deemed critical and essential, the cost will be between \$10 and \$30 million. He further said the Fire Board's intention was to seek out citizens to make recommendations to the Fire Board on how to proceed. The discussion will cover the current budget and the types of service the district should continue to provide.

Ms. Fisher stated she believed sometimes we have to decide what is “nice to have” and “what is critical” and also consider the costs. She asked if the four minute response rule was applicable for rural or metropolitan areas. Her personal observation is that many people who move to Sedona come from larger areas and expect a higher level of service, and asked if we should continue to support that. Mr. Harr also stated he feels the committee needs to know the organizational structure of the district. And further, that most people he talked to about the district do not believe there is anything wrong, they just want to know more about the organization and the budget; he said the community wants to know what exists for the \$11.7 million budget. Mr. Shook said the Chief and the Fire Board want to get the community involved; Mrs. Maxwell stated in the eight years she has been Chairman of the Board, only one citizen attended a budget workshop. Ms. Moore added that the Board had even changed the night of its meeting to not conflict with City Council meetings in order to encourage citizen participation. Mr. Evans agreed and said when he was on the Fire Board, only two citizens showed up at a budget workshop. Ms. Fisher stated she attended a meeting within the last year to ask that the Board consider periodically holding its meetings in the Village of Oak Creek. Chief Shobert stated part of his plan for this committee is to move around the district, meet at our other facilities to see the problems with the infrastructure in person.

Ms. Fisher asked if it would be possible to communicate information between committee members via e-mail. Attorney Whittington responded the Governing Board cannot do business over e-mail; it can be used to send information, but not for “chit-chat” between committee members.

Mr. Harr asked the Chief to explain the difference between “department” and “district”; Chief Shobert said, generally, a fire department is under a city municipality, but a district is separate from the city and is funded exactly the same as a school district through taxation. A district has its own set of elected officials, which the Fire Chief reports to, and the Board is held accountable by the voters of the district.

Mr. Minard referred to the map and asked if the stations indicated are all staffed on a 24-hour, seven-day a week basis. Chief Shobert explained that Station #1 in West Sedona is staffed with a minimum of five firefighters on a 24/7 basis, and of those five, three are Certified Emergency Paramedics; Stations #3 in the Village and Station #4 in Uptown are the same. In Oak Creek Canyon at Station #5, there are two firefighters on a 24/7 basis in the winter, and that is bumped up to three in the summer months when tourism is highest. Additionally, SFD has garage-type stations (with no staffing or crew quarters) on the Red Rock Loop Road (Station #2), and one in the Canyon (Station #7). Station #8 near Sedona Pines on Highway 89A has recently been assigned as offices and storage for our Telecommunications department because that area does not have the call volume to support around the clock staffing; it has office space and a kitchen, but no space for crews. Mr. Evans pointed out at one time, Stations #2 and #8 were manned by volunteers and contained the apparatus they responded with; however, this organization has now evolved into fully career with no volunteers. Chief Shobert pointed out with 85 to 90% of our calls being emergency medical, there are not enough volunteers to show up for those calls during the day when approximately 70% of the 3,750 calls each year occur (between 6:00 AM and 6:00 PM). This is one reason the district adopted additional peak call volume ambulance staffing from 10:00 AM to 8:00 PM on January 1st.

Chief Shobert asked the group how many received the anonymous “letters”. Mr. Lillie stated he did not receive one, and although he knew about them, made a point to not read them before this meeting. Ms. Fisher said someone had given them to her, and she felt the more information she had before this meeting, the better; she conceded there was probably some truth in them, as well as some false points. Mr. Evans received them and added that from his point of view, since the envelopes used fire district mailing addresses and contained no signatures or contact information, he did not believe them. Mrs. Maxwell and Ms. Moore informed the group neither had received any phone calls since the letters were mailed; also, Chief Shobert’s phone number was given in the anonymous letters, and he has received no calls. Ms. Moore stated she was not going to respond to something that was not signed.

Mr. Lillie said as a former volunteer of the fire district, and one that loved his time here, he would give his honest opinion of the financial situation; he does not believe this is a “stacked committee” of SFD sympathizers and he would stifle that rumor if he heard it. Mr. Keller said he felt the whole purpose of trying to gather the community committee was to provide the Fire Board with input and to look at the necessities of the growing fire department and the financial ramifications. He said the community needs to be stakeholders in the fire district.

V. SEDONA FIRE DISTRICT BACKGROUND INFORMATION.

This information was covered in the previous item’s discussion.

VI. EMERGENCY RESPONSE ISSUES/CONCERNS.

Chief Shobert reiterated the important reason for rapid response to both fire and emergency medical calls. He also reminded the group of the two catastrophic wildland fires in the district last summer. If wildland fires are controlled quickly, the costs of suppressing them can be reduced. SFD worked on both fires, but more so, on the LaBarranca fire in the Village of Oak Creek.

Mr. Keller informed the group it is important to consider the topography of the Sedona Fire District in emergency response issues, especially for radio communication. In a flat area, such as Kansas, one radio tower is sufficient to cover a large area, but to cover the district from Red Rock State Park to the top of Oak Creek Canyon takes technology and funding. Mrs. Schmidt stated last week phone service between the Village and West Sedona was down, but because SFD has microwave links between the stations, personnel were able to use the phones to communicate with each other. Chief Shobert said in terms of infrastructure we have 100-foot towers in several locations including Uptown, Mingus Mountain, Schnebly Hill, Squaw Peak, and the Village of Oak Creek.

Ms. Fisher said according to the “letters”, SFD has taken on other agencies for dispatching; she asked how and why that evolved, and was it the right role for our district to take on. Historically, we needed dispatching for ourselves and smaller communities also needed help, so we were paid by them and used the money to build our infrastructure, which is owned solely by SFD – not shared by the other communities. Chief Shobert added that SFD is not unique in this; Phoenix Fire Department dispatches for the entire metropolitan area (except Mesa, which has its own dispatch center). Mr. Lillie said SFD is one of the few fire departments that is the primary dispatch point for fire and police, which means we answer all initial 911 calls in the area and if they are for police, transfer to them; this allows us to respond to EMS calls at least thirty seconds faster than if the police answered and transferred to us.

Mr. Harr said this is something the community should know because if we are providing services for other agencies, our taxpayers should understand how much funding is coming in on an annual basis. He further said there is no reason not to sell extra expertise in a cost-effective way, but the community should understand it. Chief Shobert said from an interoperability standpoint, communities in close proximity must operate together for homeland security and for mutual aid.

VII. GROWTH IN THE SEDONA FIRE DISTRICT.

This issue was discussed previously.

VIII. CURRENT INFRASTRUCTURE.

Chief Shobert distributed copies of the Capital Improvement Plan. He pointed out Station #1 was built in 1987 prior to the Americans with Disabilities Act; in the West Wing, there is an elevator, but it is not ADA compliant, and in the East Wing, there is no elevator. So, if a person with a disability wanted to speak to the Fire Chief, they would be unable to access his office on the second floor. As this building is upgraded, elevators must be added. Also, the crew quarters need to be renovated. Station #4 in Uptown is 40 plus years old, and has many problems including asbestos abatement concerns. Fire engines have to be backed into the garage because it is not a “drive-through bay”; Mr. Lillie was a former volunteer and is familiar with the difficulties of that maneuver. He said they have to back in very slowly and if the “lip” across the driveway is hit too hard, the top of the truck hits the ceiling. He added tourism foot traffic also adds to the challenge. These are everyday events that the public does not know or understand. SFD bought additional property from Coconino County about five years ago to build a new Communications Center on the upper part of the property and construct a new fire station in the future, but in the meantime, other priorities are rising to the top of the list including the fire station in the Chapel Road area.

Station #5 at Indian Gardens in the Canyon is on a “vault and haul” sewer system, which costs approximately \$350 every ten days to empty. Additionally, Chief Shobert stated that station is a little out of position, and should be closer to the Slide Rock Park area. During the past four years, he worked with Arizona State Parks to build a jointly-owned station there, but the Parks Board decided against it. Mr. Evans recalled in 1997, many residents were against building a new station in the Village of Oak Creek, but it has proven to be an asset to the district.

IX. COMMITTEE GOALS AND TIMELINE.

Chief Shobert asked if Thursday evenings would work for every one as the meeting night. Ms. Moore stated she would like the meetings to be earlier. Ms. Fisher stated 6:00 PM is probably better for the working members of the committee. This matter will be further discussed at the next meeting, but for now, the next meeting will be on Thursday, 3/22/07 at 6:00 PM. Chief Shobert stated he is adamant about limiting the meetings to no longer than 90 minutes each, and our goal is to be able to complete the task in four to six sessions over a ten week period.

Chief Shobert informed the group that SFD was being reviewed by the Insurance Services Office (ISO) next week. This review has the potential to lower personal property insurance rates for district residents. Mr. Harr asked if the group could receive an organizational chart; Chief Shobert stated he is

recommending changes to the current one at a Budget Workshop to the Board tomorrow. If they approve the chart, he could provide copies of those next week.

Finance Manager Schmidt distributed copies of the 2006/2007 budget and expenditure reports for every section of the district through February 28th. She told the group if they had questions about how to read the reports, to give her a call. Ms. Fisher asked if the Communications Center was the only area of the district that SFD provided for other agencies. Chief Shobert stated we have Mutual Aid agreements with surrounding communities, but those do not involve a profit. Mrs. Schmidt said we also lease space on our microwave towers to communications companies, but they are in charge of their own equipment, and the rented space is pure income for SFD. Our Telecommunication Technicians sometimes work for other agencies, including Sedona Police Department, and they are paid for those services. Additionally, the district provides classes in specialized areas, such as swiftwater rescue, to our own employees, and charges for other agencies' employees.

Mr. Shook said the important thing for this committee is to keep in mind SFD's credit worthiness to be able to pay the least amount possible on interest; the options this committee recommends to the Fire Board for financing a capital improvement program could include leases, revenue bonds, geo bonds, but whichever financial program is selected, must reflect SFD's goals. The debt can be structured in many different ways depending on what the Fire Board and the community want. Mr. Shook explained he is an investment banker with a background in city management; his firm, Peacock, Hislip, is Arizona's only fully managed and headquartered investment banking company specializing in bond underwriting and capital improvement programming. He then gave his firm's website to the committee for further information: www.phsg.com

Mr. Harr asked Mr. Shook how his firm would be paid for their services to SFD. Mr. Shook said if there was any financing in the future resulting from this process, the firm would be paid from that; or if the decision is to bond, his firm would underwrite it, and receive a percentage, which is typically 1% to 1.5%. Chief Shobert stated one rumor in the second "letter" was that Mr. Shook was being paid \$100,000 which is incorrect. Mr. Shook said he is providing the service "on the come" and currently is not charging anything to SFD except expenses. If the decision is to hold a bond election, and if it does not succeed, they would receive nothing.

Chief Shobert reiterated this committee could help prioritize the nine items on the Capital Improvement list. He also stated SFD is financially sound and can begin two of the projects in the coming fiscal year, at which time we would be locked into those for the next ten to twelve years, and be unable to accomplish any of the other projects until those are finished. Chief Shobert said he has been accused of being a "kingdom builder", but he is asking for buy-in from the community on these infrastructure needs, and if the community does not want them, SFD will not do it. Mr. Harr said a typical question he received this week was from people reading the *Red Rock News*, was about the necessity of purchasing an \$800,000 ladder truck. Chief Shobert explained the Fire Board had voted down the truck for the past five years, but there was a need for the truck, and it is past time to act on it. The current ladder truck is more than 25 years old, and firefighters have to manually climb to the end of the ladder in full heavy gear with a hose. Mr. Evans added there are safety concerns about older ladders sustaining that much weight, as well.

X. ADJOURNMENT.

Chief Shobert stated a small amount of food would be provided to the group at each meeting, as some members would be coming straight from work to the meeting. Chief Shobert asked committee members to bring their calendars next week to schedule future meetings. The meeting then adjourned at 7:40 PM.

**EMERGENCY SERVICES COMMISSION
PUBLIC MEETING
Station #1 – 2860 Southwest Drive
March 22, 2007 / 6:00 PM**

MINUTES

I. CALL TO ORDER/ROLL CALL.

Chief Shobert called to order at 6:00 PM.

Present:

SFD Employees – Fire Chief Matt Shobert, Finance Manager Sandi Schmidt, Management Assistant Tricia Greer (as Recorder)

SFD Fire Board Members – Caryn Maxwell and Attorney to the Board Bill Whittington

SFD Citizens – Don Harr, Jim Evans, Lonnie Lillie, Carolyn Fisher, Gary Karademos, Judith Keane, Charles Christensen, Al Wolfe

Financial Advisor – Curtis Shook, Peacock, Hislip, Staley & Given, Inc.

Absent: Bill Minard, Char Beltran (or other Sedona Chamber representative)

II. OPENING REMARKS/INTRODUCTIONS.

Chief Shobert stated the Sedona Fire District is a complex, sophisticated organization with many divisions, such as Fire Suppression, Emergency Medical Services, Human Resources, Administration, Regional Communication Center, Finance, Fire Prevention, and Mechanics. He then asked all the members to introduce themselves.

III. APPROVAL OF THE 3-15-07 MINUTES.

Mr. Lillie moved to approve the Minutes of 3/15/07, as presented; Mr. Evans seconded, and the motion unanimously passed.

IV. ELECTION OF CHAIRMAN AND VICE-CHAIRMAN OF COMMITTEE.

Chief Shobert stated he would accept nominations for the positions of Chairman and Vice-Chairman of the Committee. Ms. Fisher nominated Don Harr as Chairman, and then asked what would be the expectations for the position. Chief Shobert replied it would be for someone to run the meeting from a generic perspective, so that the committee would not feel as though the Chief was leading the discussion. Ms. Keane asked since this is a citizens' committee, who would answer questions from the media. Attorney Whittington stated that as a matter of law, any committee member (SFD staff or citizen) would be allowed to speak to the press, but usually these types of committees appoint one or two spokespersons. Mr. Harr then said although it was nice to be nominated, he still has questions about the exact purpose of the committee. He also asked Chief Shobert about the name of the group and why "Emergency Services Commission" was selected; Chief Shobert replied he participated on a similar committee in Tucson with that name.

Mr. Harr stated he believes the public needs to know about the budget process going on right now, and that the meetings are open to the public. Chief Shobert said we could certainly send out a press release about the committee, but pointed out one of the challenges SFD has in informing the public is our community has a twice-a-week paper, and only one local radio station.

Mrs. Maxwell then suggested Chief Shobert be appointed as the Vice-Chairman of the committee because he would always be in attendance.

Mr. Christensen said he feels Sedona is a great community, but people don't want to take the time to get involved; Mr. Wolfe and Ms. Fisher both disagreed. Ms. Fisher further stated she believes there is a disconnect between Fire Board decisions and the information the public receives; she believes that should be part of the role of this committee to let the public know how the budget is spent. Mr. Christensen said when he was on the Fire Board, there was very little public participation unless a politically sensitive issue was on the agenda such as Red Rock Crossing or purchasing land in the Chapel. Ms. Fisher stated her perception is that there have been personal agendas on the Board, especially regarding Red Rock Crossing; Mrs. Maxwell pointed out the Board has put out two Position Statements indicating the fire district does not care where the road is built, but we just need one for emergency services; Ms. Fisher said that not everyone believes that.

Mr. Wolfe said the district must clearly state its objectives and disseminate that information to the community, and if that is done, SFD won't have trouble getting people involved; from that perspective, Mr. Wolfe said Emergency Services Committee makes sense as the name of the group. Chief Shobert agreed that emergency response is the sole agenda of the district. He further stated the impetus for this group was to get key community stakeholders involved in the prioritization and financing of several capital improvement projects. Mr. Harr said at the time the invitation letters went out to the group, that was not clearly communicated and that the biggest issue was the possibility of a bond. Additionally, Mr. Harr said the Chief communicated to them that without securing a bond or other financing, only two of the projects could be accomplished with current financing. However, his understanding from reading the tax projections is that this district will pick up \$1 million effective July 1st, and next year, an additional \$2.3 million in tax revenues. Chief Shobert stated at the time discussion began on financial planning, the assessed valuation (AV) information was not out, and there was talk of limiting AV on special taxing districts; as such, Chief Shobert felt it was important to be proactive in discussing financing options. Attorney Whittington then asked the group to abide by the posted Agenda. Mr. Harr said he felt this discussion is relevant in the decision of selecting a Chairperson. Chief Shobert then asked that "committee name change" be added to next week's Agenda, and tabled Item IV.

V. RECAP OF LAST WEEK'S DISCUSSION.

Chief Shobert then said the committee was originally formed to get input from the community, and also, share what it is SFD does; he was hoping to break down some incorrect information, as well. The Chief stated our recent Insurance Services Office (ISO) review is going to validate response concerns.

Ms. Fisher stated during the Highway 179 planning with ADOT, the community was offered different options to build or improve the highway and given the costs associated with each; she suggested informing the community of the costs of reducing response times; they could then understand that these are the services tax dollars are funding; she would also like to see how the services and their associated costs rank against comparable areas. She feels the community should know that this is what it costs to lower response time by one minute. The group then discussed various options for communicating information to the community including local radio and newspaper articles.

Mr. Harr said the "buzz" in the community, is "what's going on at the fire department", and he has never seen this kind of concern before. Chief Shobert asked if Mr. Shook had ideas about getting information to the community. Mr. Shook said in the meetings he attended prior to the formation of the citizen group, the Board and staff discussed ways of getting citizen involvement in long term capital plan and decided the committee could make recommendations to the Fire Board regarding payment for same. His role is to present different financing methods. He also pointed out SFD's Strategic Plan sets out the district's desire to have the community involved.

Mr. Wolfe said he feels the fire district is in a better position today than before because of the threats of the dry season and last year's fires, the community is really interested in personal safety and making their homes more secure. Ms. Fisher stated some people are willing to take increased risks to limit tax funding.

Mr. Christensen then suggested each committee member think of a name for the committee and a vote could be held at next week's meeting. Several names were then given, e.g., public awareness task force, emergency services task force, SFD future growth commission, community fire safety awareness committee. Chief Shobert added that this committee is involved with future growth and capital improvement, and the name should reflect that. After being in the fire service for 21 years, he knows the importance of quickly, safely, and efficiently responding to emergencies. Chief Shobert stated it would be worthwhile to get the Strategic Plan message out to the community.

Mr. Harr stated his understanding from the last meeting was that this committee's work would have to be done by the time the budget is completed; Mr. Shook stated that is incorrect. Chief Shobert said his original goal was for the committee to have four to six sessions, but he now believes it will take longer than that because of the need to educate the committee about the fire district.

Ms. Keane asked that the group discuss the intention of this committee; the following points were made:

- Analyze response times, growth issues
- Capital improvements in relation to the above
- Current and future infrastructure needs
- How are we going to pay to address these needs?

Mr. Karademos said with the recent release of tax assessments and the tremendous jump in rates, as well as an increase in the number of homes in the district, and that if the fire district is asking for more funds, the committee better have good reasons.

Mr. Wolfe stated the district is trying to plan for the future and the public needs to understand that. Chief Shobert said SFD needs to rebuild two – and develop two new – facilities over the medium range period. He said the district can maintain the status quo, but to enhance service and prepare for the future is the challenge.

Ms. Fisher commented many citizens have limited income, and when they see the fire department – which has a lot of funding – asking for more money, they have a negative reaction, and ask “why”. Mrs. Maxwell pointed out SFD's work force has doubled since all the volunteers have gone. Ms. Fisher recalled the volunteer program was eliminated because it was expensive. Mrs. Maxwell pointed out four years ago, the number of calls for service were almost the same as now; however, at that time, more than half of the calls were for community service (such as providing transportation to doctors' offices) provided by volunteers; those programs have since been eliminated, and now all SFD is responding to are calls for EMS and fire suppression; so, the dynamics of the calls have changed, and we must have qualified personnel responding. Chief Shobert then distributed figures indicating call volume. Mrs. Maxwell said our training program provides more than what is minimally required; the district made the decision years ago to provide a high level of service to the community and makes extra money dispatching and in ambulance revenues to pay for some of those extras.

Mr. Harr asked what are Reserve Firefighters; Chief Shobert replied they are fully trained firefighters and medics who work here on a part-time basis, but most aspire to be fulltime at SFD; in most cases, they have fulltime firefighter jobs with other agencies.

Chief Shobert said sometimes people will ask why can't we operate more like a smaller department such as Cottonwood; he pointed out that Cottonwood serves a six square mile area from a single station; SFD is approximately 168 square miles in size, including West Sedona, Uptown Sedona, Oak Creek Canyon, Red Rock Loop Area, and the Village of Oak Creek with four stations staffed "24/7/365". Additionally, SFD runs its own ambulance service unlike other smaller agencies.

Mr. Christensen asked "do we have enough service now or are we over-serviced?" and speculated that maybe we have reached a point where we are providing more service than required or needed. He said SFD is the premier department in the State for response to some locations. Ms. Fisher stated she understands that SFD wants to provide premium service to every inch of the district; Chief Shobert added that people who live in the outer parts of the district knew they were not going to have a four-minute response time, but is it our obligation to try to provide them four minute response times? Mr. Evans pointed out that he lives in the Chapel Area, which is not in the outer parts of the district, but that because of road conditions, response time could be affected. Mr. Karademos stated, ideally, a station would have been placed between Uptown and the Village instead of in Uptown.

Mr. Wolfe suggested establishing a list of priorities for response areas; Chief Shobert stated, essentially, he has done that with the Capital Improvement Plan, and several items are tied for the #1 position including Station #4 and the Chapel Area. He further stated the Loop Area can wait, but needs to be included in the discussion because in about 10 years, projected growth estimates are for 5,000 more people requiring service in that area. Mr. Karademos commented people may wonder if there is going to be a greater tax base, why do we need to go above and beyond that for financing.

Chief Shobert stated it appears "bond" is a four-letter word in the negative sense, but he feels we would be remiss if we did not include it in the discussion. Mr. Shook stated a general obligation (GO) bond must be passed by 51% of district voters and can only be held at the general election in November. He also said repayment is less than a lease purchase or a revenue bond, and asked if the district would want a higher interest cost for the same thing. Mrs. Maxwell added that the time, the fire district did not know the school district was going to have a bond election, and when that was discovered, decided to discuss other options. Chief Shobert said purchasing land in the Chapel Area might have opened a "Pandora's Box", but he feels it is necessary to prepare for the future and it should have been done ten years ago.

Ms. Fisher said as far as getting information to the public, what ADOT did was develop eight different road options and held open houses at different times; she suggested that after this committee develops recommendations, the district do that as well. The maps and charts will help the public see where service is needed because of response statistics. The committee could say these are the options and costs over a 15 year time frame to keep or raise this level of service and these are the costs associated with it.

Impact fees for new development was briefly discussed, and Chief Shobert stated southern Arizona contractors brought a lawsuit against Northwest Fire District for implementing fees, and that case is currently in the Supreme Court; Mrs. Maxwell said SFD is ready to implement impact fees after the disposition of the case is known.

Chief Shobert stated forming this committee was our attempt at getting community involvement; Mr. Harr cautioned the Chief to not take these comments too personally, and pointed out that Chief Shobert is the man that "stepped forward" to involve the community. Ms. Keane stated citizens are starting to get their tax bills, and not just from the fire district, but also the school district; she said as a citizen, she must look at taxes in their totality from income tax to sales tax to school, fire, etc. because each is valid in its own way, but the question is can we pay for it all.

Mr. Harr asked why so many firefighters responded to calls; Chief Shobert stated National Fire Protection Association standards recommend four firefighters on an engine, but in lieu of that, SFD sends three on an engine and two on an ambulance. Chief Shobert will provide the NFPA standards at the next meeting. He then explained that giving care to a patient experiencing a heart attack requires help – someone driving, attending the patient, talking to the hospital, taking vitals, administering medication, and if it is a large person, two people cannot physically carry him or her to the ambulance. Mr. Evans also pointed out when emergency calls come in, the person reporting doesn't always give all the information to the dispatcher about what will be required.

Mr. Harr asked if SFD ever gets sued because of lack of performance; Chief Shobert responded “yes”, but not too often.

Mr. Christensen commented when he was elected to the Fire Board that he wrote his thoughts down, and basically, SFD are stewards of public and serve the taxpayer.

After a question from Mr. Harr, Mrs. Maxwell responded there is less than a quorum of Fire Board representation on this committee because they did not want to be seen as leading this committee or making the committee feel it is not a free and open forum. Ms. Fisher stated she feels it is this committee's job to understand what is on the capital improvement list, what it will cost, and what it does for the community, and then, to get the word out to try to correct any misperceptions. Mr. Karademos reiterated his position that the committee needs to compartmentalize and prioritize each need. Mr. Lillie agreed and said each area of the district should be considered in the priority list. Ms. Keane said if this is a serious committee and it needs to be responsible, everything has to be considered.

After a question regarding salaries, Chief Shobert stated five years ago, SFD began using similar districts – mostly in Northern Arizona – as comparisons including Central Yavapai, Prescott, Flagstaff, and Lake Havasu. Every year, SFD compares the salaries and tries to situate itself as second or third on that list. Chief Shobert said that could be considered our fair market to use as a benchmark.

VI. COMMITTEE GOALS AND TIMELINE.

Chief Shobert tabled this item until next week.

VII. ADOPTION OF COMMITTEE GOAL STATEMENT.

Chief Shobert tabled this item until next week.

VIII. ADJOURNMENT.

Chief Shobert asked everyone to consider appropriate names for the committee and bring those to the next meeting. Ms. Fisher asked about a realistic time frame for the committee to prioritize capital items, and although the group thought it would be beneficial to look at 15 years, felt it should realistically be a five year limit. Mrs. Maxwell said the Board would like to have a solid five-year plan, but to think ahead to ten years as well. Ms. Fisher said the group could speculate beyond five years without being finite and it is probably important for the group to look further into the future regarding growth potential. Chief Shobert stated he would ask SFD Fire Marshal Will Loesche to bring some growth and development maps to the next meeting. Mr. Harr asked one more question regarding salaries of the district and clarified it was 80% of the budget, which the Chief confirmed and stated it was normal for fire districts. The meeting was then adjourned at 7:30 PM.

**SFD CITIZENS' COMMITTEE
PUBLIC MEETING
Station #1 – 2860 Southwest Drive
March 29, 2007 / 6:00 PM**

~ REVISED MINUTES ~

I. CALL TO ORDER/ROLL CALL.

Chief Shobert called the meeting to order at 6:00 PM, and announced Judith Keane resigned from the committee due to time constraints.

Present:

SFD Employees – Fire Chief Matt Shobert, Finance Manager Sandi Schmidt, Battalion Chief Terry Keller, Fire Inspector Gary Johnson, Management Assistant Tricia Greer (as Recorder)
SFD Fire Board Members – Caryn Maxwell, Joy Moore, and Attorney to the Board Bill Whittington

SFD Citizens – Don Harr, Jim Evans, Carolyn Fisher, Gary Karademos, Charles Christensen, Bill Minard, Jennifer Wesselhoff

Financial Advisor – Curtis Shook and Sue Gibbs, Peacock, Hislip, Staley & Given, Inc.

Red Rock News – Trista Steers

Absent: Lonnie Lillie, Al Wolfe

II. INTRODUCTION OF NEW MEMBERS.

New members were introduced.

III. APPROVAL OF 3-22-07 MINUTES.

Chief Shobert entertained a motion to approve the 3/22/07 Minutes; Ms. Fisher questioned the Minutes because of the way the recorder tracked the conversation. Mr. Evans then moved to accept the Minutes, noting the comment by Ms. Fisher; Mr. Minard seconded, and the motion unanimously passed.

IV. SELECTION OF COMMITTEE NAME.

After discussion, the group decided to name the committee, “SFD Citizens Strategic Planning Task Force”; *Ms. Fisher so moved, Mr. Karademos seconded, and the motion passed with all approving except one “nay” vote from Ms. Moore.*

V. ELECTION OF CHAIRMAN AND VICE-CHAIRMAN OF COMMITTEE.

Chief Shobert said he would be willing to co-chair the committee, but feels it is important to have a community member as a co-chair. *Ms. Fisher moved to nominate Don Harr as Co-Chairman; Mrs. Maxwell seconded, and the motion unanimously passed.*

VI. REGIONAL DISPATCHING “Q AND A”.

A. Partnering Ideology

Chief Shobert distributed information about the Regional Communications Center and its financing structure. The bottom figure, \$512,423, is the amount the agencies pay SFD for dispatching. The users pay 100% of their own costs and contribute an additional 29% of the total dispatching budget. The total operating cost of the Center is \$986,000. The group questioned how the Fee Schedule is set, and Mr. Christensen requested the Manager of the dispatching center attend the next meeting to explain. Mrs. Maxwell informed the committee that they have no power over determining how the Regional Communications Center would be run, and asked them to focus on capital improvement needs. Mr. Harr said the reason they asked is they need to understand how the budget works; Mrs. Maxwell then said they were welcome to attend Public Budget Workshops. Ms. Moore suggested budget questions could be answered outside of these meetings to allow discussion of agenda items. As Ms. Fisher and Mr. Harr continued to ask questions about the budget, Chief Shobert said the budget is not listed on this Agenda, and asked that it be included on the next meeting's agenda.

Chief Shobert explained the three factors used to determine the Fee Schedule are population, assessed valuation, and call volume for each agency to determine their annual fee. Mr. Harr asked if the agencies for which SFD dispatches could be asked to give a "grade" for the Center's performance, and Chief Shobert responded affirmatively. He also reiterated the importance of interoperability and local agencies working together and being able to communicate with each other in the field. Chief Shobert then distributed an article from the nationally published, *Fire Chief Magazine*, profiling SFD as a national model for the effectiveness of emergency services agencies partnering. The group was also informed because of SFD's strong partnerships, doors are opened for receiving grants, and that \$3 million in grant funding has been received in the last few years. SFD keeps \$50,000 in contingency for the 10% offset needed for receipt of grants. Finance Manager Sandi Schmidt pointed out SFD owns the microwave towers and rents space to communication companies such as AllTel and Verizon; those revenues are not included in these figures for the dispatching center. She also explained grant funds are not shown in the operating budget because the auditors said they are not part of our doing business. Chief Shobert reiterated there are hidden, but tangible benefits for our Regional Communications Center and the partnerships in it; additionally, partnerships support Federal mandates and give opportunities for grant funding. Chief Shobert requested "Regional Dispatching Q&A" be carried over to the next meeting.

VII. SFD SERVICE OFFERINGS.

Chief Shobert distributed information on SFD Service Offerings and Challenges. He pointed out the community impacts of geography, topography, vegetation, weather, and infrastructure, especially our roadways. These are all factors in SFD's capital improvement needs. The Chief said a circular response system would allow more efficient utilization of our resources; however, currently, SFD has three "spokes of a wheel" of areas to which we respond – Uptown/Oak Creek Canyon, West Sedona, and the Village of Oak Creek. He asked Ms. Wesselhoff what the Sedona Chamber thought was the yearly number of visitors to the area; Ms. Wesselhoff said the Sedona area has about 17,000 to 18,000 full-time residents, and the average daily population essentially doubles daily because of tourists. This does not include Sedona's commuting workforce, or "day trippers" who come to town for a few hours.

Mrs. Maxwell was asked about SFD's participation with ADOT on the Highway 179 plan; she said a public safety commission was held before the community meetings occurred, and SFD provided information with our Fire Marshal and a Battalion Chief attending. Mr. Harr said he would talk to one of the former-ADOT planning members to get her point of view of SFD's

participation in the process. SFD was told ADOT does not plan roadways around fire department equipment; Chief Shobert said the misperception is that fire trucks cannot get through roundabouts, but that is not correct. They can, but must slow down to negotiate the circle.

The next item listed is “Fire Suppression” which includes structural fires (residential, commercial, car fires, etc.); SFD strives to follow National Fire Protection Association guidelines (#1710) of the number of responding firefighters and also follows the Federal OSHA law of “2 In/2 Out”. Chief Shobert distributed copies of these to the committee. Wildland fires are a major threat in our district; Chief Shobert informed the group SFD will host a vegetation clean-up weekend on May 18, 19, and 20th at Station #4 in Uptown.

Emergency Medical Services are the largest part of SFD’s services at 81% of our calls. Hence, SFD’s philosophy in EMS is to be preventative and proactive and offer CPR classes and Automatic External Defibrillator (AED) community programs. SFD placed 33 AEDs around the district in schools, community buildings, resorts, grocery stores, and other areas where large numbers of people converge. Ambulance Transport Services are also provided, which allow for an improved and consistent level of patient care with the same paramedic from beginning of the call until arrival at the hospital. Ambulance billing generates approximately \$1 million in revenue yearly, but Chief Shobert pointed out SFD is not in the “money making” business; we are in the “customer service” industry, with the goal to save life and property.

Battalion Chief Terry Keller explained the 12-Lead and Rapid Sequence Induction (RSI) programs. The 12-lead is an EKG system that looks at heart rhythms and based on those readings, the paramedic (in contact with the doctor at the hospital) can determine the appropriate treatment; it allows SFD to transit the information directly to the hospital where the patient is diagnosed, and instead of delivering the patient to the Emergency Room, save critical time by taking them directly to the cath lab where the cardiologist is ready. The National standard for this type program is two hours, and SFD’s program has been incredibly successful with calls ranging from 30 to 37 minutes. Chief Keller said this program makes sense for an aging community, and especially, since we are a remote community without a hospital in our backyard. The RSI program is fairly new to SFD; he explained pharmacology is used to, essentially, paralyze a victim and allow medics to begin to breathe for them, which is extremely useful in stroke patients. In order to keep our Certificate of Necessity (CON) for ambulance service, SFD must meet the level of care and response criteria mandated by DHS. Mr. Harr asked about private ambulance companies; Chief Shobert said some private ambulance companies are leaving their CON areas and those are being picked up by fire districts. Legislation is being drafted to force communities to pick up those unincorporated areas because private agencies have left them without service.

Training mandates through OSHA, ISO, EEOC, and NFPA are followed by SFD.

SFD’s Community Risk Management (formerly Fire Prevention) provides a high level of public education including “Every 15 Minutes” alcohol awareness program at the high school, and Bike Safety Rodeos and National Fire Prevention Week programs at the elementary schools. This office also provides fire investigation services, and plan reviews for new and remodeled buildings. SFD’s current sprinkler system requirement is for homes with 5,000 square feet under the roof line, but also for areas with no fire hydrants, restricted access (gated community, low

water crossing, etc.) or other unusual access issues. Fire Inspector Johnson noted that SFD has had several homes saved directly because of the sprinkler requirement.

Chief Shobert then explained SFD's Special Operations areas including Technical Rescue (high angle), Swiftwater, Confined Space, Building Collapse, Trench, Tower Rescue, Tactical Medic (rescue injured police officers and victims), and said SFD's team is recognized as one of the best in the State of Arizona. SFD also has certified Hazardous Materials technicians.

VIII. PROJECTED DISTRICT GROWTH.

Fire Inspector Gary Johnson showed the map of the district and pointed out areas of high growth or potential growth. With the Red Rock Loop Road area being developed and the Cultural Park slated for retail and residential development, our Stations #2 and #8 (currently not staffed with firefighters) will be needed. In the future, the land around the sewer treatment plant will most likely be developed through land trades. Mr. Johnson said although not much more growth is expected in Oak Creek Canyon, there is a very high volume of calls from there during the summer months. SFD unsuccessfully attempted a partnership with Arizona State Parks for a joint station at Slide Rock State Park; a facility will be needed in the Canyon in coming years because of issues with the current station. Major development is projected for the Chapel area. The Enchantment Resort area, along with Seven Canyons, has some projected residential growth, as well as the old Tree Farm, which is now known as "The Aerie".

Ms. Fisher asked about the cost benefit ratio to reduce response times to four minutes; Chief Keller responded in some cases, it could cost a life, and along with that, the public perception of what is an acceptable level of service. Mr. Karademos asked if the volunteer system was a "dead duck"; Mr. Johnson said with the high cost of living in Sedona, volunteers would be hard pressed to be able to respond at the level SFD would need, and make a living at the same time. He further said this is a nationwide problem for recruiting volunteer firefighters.

IX. COMMITTEE GOALS, GOAL STATEMENT, AND TIMELINE.

As there was not enough time to address this item, Chief Shobert requested it be at the top of the Agenda for the next meeting on **Thursday, April 12, 2007, at 6:00 PM** (no meeting will be held next Thursday, April 5th).

X. ADJOURNMENT.

The meeting adjourned at 7:45 PM.

Tricia Greer, Recorder to the Fire Board

:tg

**SFD – CITIZENS STRATEGIC PLANNING TASK FORCE
PUBLIC MEETING
Station #1 – 2860 Southwest Drive
April 12, 2007 / 6:00 PM**

MINUTES

I. CALL TO ORDER/ROLL CALL.

Chief Shobert called the meeting to order at 6:04 PM.

Present:

SFD Employees – Fire Chief Matt Shobert, Finance Manager Sandi Schmidt, Battalion Chief Terry Keller, Battalion Chief Dan Wills, Battalion Chief Scott Schwisow, Fire Inspector Gary Johnson, Regional Communications Center Manager Terry Schleizer, Captain Ed Mezulis, On-Duty Crew Members, Management Assistant Tricia Greer (as Recorder)

SFD Fire Board Members – Caryn Maxwell, Joy Moore, and Board Attorney Bill Whittington

SFD Citizens – Don Harr, Jim Evans, Gary Karademos, Charles Christensen, Bill Minard, Jennifer Wesselhoff, Al Wolfe

Financial Advisor – Curtis Shook, Peacock, Hislip, Staley & Given, Inc.

Absent: Lonnie Lillie, Carolyn Fisher

II. APPROVAL OF 3-29-07 MINUTES (AS REVISED).

Chief Shobert entertained a motion to approve the 3/29/07 Minutes, as revised; Mrs. Maxwell so moved, Ms. Moore seconded, and the motion unanimously passed. Chief Shobert then requested Item #IV, Regional Communications Center Presentation, be moved up to #III.

III. REGIONAL COMMUNICATIONS CENTER PRESENTATION.

As there have been committee questions about regional communications, Chief Shobert asked Regional Communications Center Manager Terry Schleizer to give a presentation to the Task Force. She stated she has been managing the Center since 1998. When the Center first began expanding its regional dispatching in 2000, the then-Chief gave them two directives: (1) it could cost no more to run the Center than it would if it was just dispatching for SFD; and (2) the district must realize a cost saving from its operation. Ms. Schleizer explained two budget sections were created to accommodate regional dispatching, #3-06 and #3-08.

Ms. Schleizer pointed out there are other benefits to SFD besides cost recovery. She then played tapes of various 9-1-1 calls received by SFD as examples of types of calls the Center deals with every day. The Center dispatches approximately 17,000 calls per year for all the agencies combined. Ms. Schleizer said to dispatch solely for SFD, would generate about 3,500 calls. The diversity and repetition of handling all those calls equates to constant drill and training for dispatchers to provide better service for our citizens. SFD's normal call volume is 250 calls a day; last June, when the LaBarranca Fire started in the Village of Oak Creek, our Center had 800 calls in a 24 hour period, and during the Brins Fire, we received 1,200 calls in a 24-hour period. EMS calls continue during wildland fires, and if we do not have enough staff, 9-1-1 calls cannot be answered, and roll over to Sedona Police Department; however, SPD only has one dispatcher on duty, and when that person is overwhelmed and cannot answer lines, they roll over to

Cottonwood Police Department, which is far removed from what is happening on an emergency incident in Sedona. SFD currently has four 9-1-1 consoles. Annually, an evaluation is done of the number of times a dispatch center is overwhelmed with calls to see if additional 9-1-1 trunks are needed, and therefore, additional staff to answer them. An occasional occurrence (such as during the fires) will not show the necessity of additional lines and staff. Regional dispatching also provides a depth of staff that we would not have if we only dispatched for Sedona. Due to the automatic aid agreements SFD has with all the agencies, it is a “seamless” process for the Communications Center to dispatch help from those agencies. That has made it possible to backfill and call in extra Communications Center staff, and responders very quickly.

Our Center also has the advantage of sophisticated technology that would not be possible if we were a one-agency center. Regionalization of services and our partnerships provide the opportunity to receive expensive and cutting edge tools such as wireless 9-1-1 technology. Ms. Schleizer then played a tape of a call received from an injured, lost hiker. SFD has the ability to determine the latitude and longitude of a 9-1-1 call from a cell phone. For this call, a Department of Public Safety helicopter was able to fly directly to the location using SFD’s technology. The only reason SFD has this is because we are a regional dispatch center, as the State has very stringent rules about where they implement it. The funding to put this in place was approximately \$1 million and was funded 100% by the State of Arizona, because we qualified as a region, and had all the necessary data and mapping in place. We are the first rural area in Arizona to receive this technology. The State of Arizona funded this technology because SFD is a regional dispatching center; also, the State pays about \$50,000 per month to maintain this service. Other technology SFD receives because of regionalism includes paging and an upgraded radio system. Mr. Christensen said there seems to be a lot of places in our area that cannot get cell phone contact, and this technology would not help in those areas.

Ms. Schleizer said grants provide a huge financial impact to SFD because of our regional and partnership approach, such as: the 2004 Fire Act Grant for repeaters/radios was about \$424,000; the paging system in 2005 was \$150,000; \$300,000 from the State for wireless 9-1-1 mapping and related equipment; the mobile data terminal in 2006 for \$275,000; the radio voters grant for \$56,000; Phase II equipment for \$500,000 in 2006; \$10,000 for GIS mapping; in 2007, SFD is anticipating \$160,000 for the microwave and Phase II costs in the next fiscal year are \$200,000.

Cost savings are the reason SFD originally began regional dispatching. This year, we are projecting recovering about 29% (\$318,408) of the estimated total Center operating budget of \$1,097,957. This is budget account #3-06 and includes everything SFD would need just to dispatch for our district only. The Regional Communications Center User Group pays \$661,146 total to SFD based on their population, assessed valuation, and calls.

Account #3-08 is a “cost center” that the User Group pays; this reduces the amount SFD pays for its own dispatching to approximately \$700,000. #3-08 is totally separate from SFD’s operating budget, and is approximately \$342,738; this pays 100% of the costs of dispatching for the other agencies including the salaries for four Communication Specialists (dispatchers), and this year, for one Telecommunications Technician. Costs are tracked in #3-08 for salaries, benefits, health/dental insurance, as well as for utilities, trash pick-up, equipment, supplies, training/tuition, software, and other professional services; essentially, all items needed to provide service to other agencies are tracked separately and paid by the user group.

Mr. Harr asked if there was any way to add agencies to reduce SFD's costs even more; Ms. Schleizer replied, right now, we are at the maximum capacity without adding personnel according to the NFPA and ISO standards we follow for the number of calls versus the number of people on duty. Mr. Christensen commented those were recommended standards, not mandated. Ms. Schleizer stated the contracts with each agency are for ten-year periods ending in 2012, and although it does not specify the percentage of recovery to SFD, the spirit of the agreement is that SFD would recover a reasonable amount; initially, the recovery amount was 25%, but through the years, we have increased it to 29%. She informed the group that two agencies were added in January of 2007, Mayer and Black Canyon City Fire Districts; those agencies are actually paying more to SFD for dispatching than they were previously, but are extremely pleased with the improved level of service they receive.

Ms. Schleizer informed the group that SFD is a Public Safety Answering Point (PSAP) and is the only Fire/EMS agency in the West that is a PSAP. Most 9-1-1 centers are operated by law enforcement agencies. She stated the benefit of a Fire/EMS agency handling 9-1-1 calls is that, typically, calls for service to a police agency are for events that have already happened, and for Fire/EMS, it is for emergencies where firefighters/paramedics can intervene and prevent further damage or loss occurring. The delay in transferring calls from police to Fire/EMS takes up to 45 seconds. The people of Sedona never have to deal with that delay. Chief Shobert said those seconds really count, and unless you have used our services before, you might not care, but if your loved one needs help, those few seconds make a huge difference. Mr. Christensen said he and a friend called 9-1-1 using cell phones in separate incidents, and both had been answered by Flagstaff dispatch; Ms. Schleizer said that should not happen any more, since wireless technology has been implemented.

Battalion Chief Dan Wills explained a little of the history of the Center, and said that in 1980, Sedona was the first agency in Arizona to enjoy 9-1-1 services, well before the City of Phoenix. In 1981, SFD was dispatched by the Coconino County Sheriff's Office, and received sub-standard service; management decided it was not serving our community's needs. At that time, it was decided to set up our own Communications Center staffed by the fire district. Then, there was only one dispatcher on duty, which can be a very dangerous situation. SFD then began exploring options to hire additional dispatchers. The Fire Board had a hard time justifying additional costs of a second dispatcher for a variable call load, and so, decided to increase call volume by inviting Pinewood Fire District to join the Center in 1987.

Chief Wills explained, currently, there is a national mandate through Executive Order that all public safety agencies have interoperable communication, and SFD is way ahead of the curve in this area. He said one other early decision was that our radio program needed improvement and that if SFD was going to run a communication center, it would be run professionally against a set of standards. If a radio system in public safety fails, the repercussions are huge, so since the early 1980s, SFD has provided services on a highly professional level. Chief Wills said we see people on the worst day of their lives, and timeliness of response, as well as the systems to respond professionally and quickly are essential. Additionally, Chief Wills said SFD takes every opportunity to look at ways to save money and receive funding through grants. Mr. Harr said putting aside the services that Sedona citizens receive, would the ten agencies for which Sedona dispatches be able to give the Regional Communications Center a grade for their service on a scale of 1 to 10; Ms. Schleizer said they would, and to please call them. She added that Verizon and other carriers pay to lease space on our towers, which is a great revenue source for the district at approximately \$120,000 per year.

IV. COMMITTEE GOALS, GOAL STATEMENT, AND TIMELINE.

Chief Shobert distributed a Memo outlining the committee's timeline, schedule, goals, and also a response to questions posed by Task Force Member Carolyn Fisher. He stated his goal is for the Task Force to complete its recommendation to the Fire Board by June 14th, and present it to the Board at its June 27th meeting. Regarding this committee's roles and goals, from the Fire Chief's standpoint, is to:

- Provide taxpayer/citizen input to the SFD Strategic and Capital Improvement Plan.
- Establish a five-year capital prioritization list.
- Provide capital funding recommendations to the SFD Governing Board.

Mr. Harr asked about the eight or nine items listed on the Capital Improvement Program originally distributed by the Chief, and asked Chief Shobert to go through those explaining his priorities. Chief Shobert said from that list, in the next five years, the priorities would be a new Station #4/Regional Communications Center, a Chapel-area station, a station in Oak Creek Canyon, and to make improvements at Station #1 including firefighter sleeping quarters, fleet maintenance, parking, and HVAC issues. Within 15 years, a station in the lower Red Rock Loop/Verde Valley School area with the growth in that area projected, will need to be considered. Mrs. Maxwell stated the goal of the Task Force is to go through these items, and find ways to help the Chief prioritize and accomplish the necessary capital improvements.

Mr. Harr asked the Chief if everything existed in Sedona as it does today, would the district still build a station in the uptown location; the reason he asked, Mr. Harr said, is because the Task Force needs to consider the need to re-build Station #4 versus the needs elsewhere in the district. Chief Shobert responded that SFD currently has four staffed fire stations in fairly well strategically located positions – West Sedona, the Village, Uptown, and Oak Creek Canyon. Mr. Harr said the real estate of Station #4 could be valuable enough to fund other capital projects; he then asked if the agency was looking to purchase raw land, would the Chief actually recommend the district buy land and build a station in Uptown; Chief Shobert responded, "yes" because of the proximity to the Chapel area and to the Canyon. Chief Wills added that it is 3.7 miles from Station #1 to Station #4, and drive time is at least five minutes "on a good day" with no traffic.

Chief Wills said over the years, SFD has worked very hard to determine the time line between when an emergency event occurs, the time it is discovered, the length of time to report it, and then, how long it takes to get service to it. On a cardiac arrest, SFD needs to intervene within four to five minutes to make a significant difference in the outcome. So, ideal response times were determined by circling our main stations on maps to determine the areas we can effectively reach in five minutes, and that is the way station planning is accomplished. Using this criteria, an uptown station is necessary to serve that population, which could not be adequately served from Station #1. Mr. Harr said looking at the land at Station #4 as an asset value, it would probably be five times the value of the land purchased in the Chapel area, and perhaps that money could be used more effectively for other projects. Chief Wills said to respond to a fire in Oak Creek Canyon, the next available engine would be from Uptown, and Station #4 is pivotal; he further said he feels we have been fortunate to have it there since the early 1970s, as it would be cost prohibitive to build it today. Mr. Harr asked if this community can afford to have a four minute response time to all areas; Chief Wills responded we have parts of the district where people live in less population density that we cannot expect to reach within four or five minutes, but in more densely populated areas, we must make intelligent decisions to provide the best

possible service; the Chapel area has a large population and will continue to grow over the next few years, and we do not feel we are adequately serving their needs from either Uptown or the Village because of load time on the highway.

Mr. Christensen asked the district to “think outside the box”, and that Mr. Harr’s comments about the value of Station #4 real estate might be a good idea. Chief Wills said we are not opposed to looking at new ideas, and that through the years, we have considered innovative ways to improve service and save money, but strategically, Station #4 is well placed.

Mrs. Wesselhoff then recommended the group move forward with the timeline, roles, and goals, and for the next agenda, start reviewing the individual projects identified on Chief Shobert’s list of priorities; she asked the Chief to help the committee get a better understanding of why he feels these are priorities and to get a full picture of the needs. ***Chief Shobert then entertained a motion to approve the timeline, schedule, and goals, as presented; Mr. Karademos so moved and Ms. Moore seconded; the motion then unanimously passed.*** The Chief then recommended the next meeting be held at Station #4 in Uptown to tour the facility and walk the property to consider its value assets and its strategic location. Mrs. Wesselhoff then suggested that on the next agenda, it would be helpful to put an estimate of the amount of time needed to discuss each agenda item to help the Task Force from getting off track and spending too much time on items.

Mrs. Maxwell asked the committee to consider SFD is in the business to save lives and help our community, not to make money, and sometimes that costs a bit more; Mr. Wolfe reminded her that those funds are coming from the locals’ pockets. Mrs. Wesselhoff said it is the Governing Board’s responsibility to make sure the district is following a budget and saving money where possible, and it is the Task Force’s role to help prioritize needs for the future. Mr. Harr commented the Board reports to the public. Mr. Karademos asked if Sedona geographically requires eight stations to handle the load, how much is Station #1 over funded, if any; Chief Shobert said that is a good question, and he would need more than thirty seconds to respond. Mr. Karademos said there are resources to use to help educate the committee and that if there were questions, he feels it would be appropriate to let the Chief know ahead of time to give him two weeks to research and bring answers to the next meeting.

Chief Shobert then announced the district would be holding Open Houses at the stations on the next three Saturdays from 11:00 AM to 1:30 PM, with Station #1 on April 14th, Station #3 on April 21st, and Station #4 on April 28th. The public is welcome to attend.

V. SFD BUDGET.

Chief Shobert asked that in the interest of time, this item be tabled for the next meeting.

VI. ADJOURNMENT.

The meeting adjourned at 7:32 PM; the next meeting is scheduled for 4/26/07 at 6:00 PM at Station #4 in Uptown Sedona for a tour of the Regional Communications Center and station.

Original signed by Tricia Greer

Tricia Greer, Recorder to the Fire Board

**SFD Citizens Strategic Planning Task Force
April 26, 2007 / 6:00 PM
Station #4 – 391 Forest Road, Sedona, AZ**

MINUTES

I. CALL TO ORDER/ROLL CALL.

Chief Shobert called the meeting to order at 6:12 PM.

Present:

SFD Employees – Fire Chief Matt Shobert, Finance Manager Sandi Schmidt, Battalion Chief Terry Keller, Battalion Chief Dan Wills, Fire Inspector Gary Johnson, Management Assistant Tricia Greer (as Recorder)

SFD Citizens – Don Harr, Jim Evans, Gary Karademos, Bill Minard, Lonnie Lillie, Judd White (Al Wolfe's replacement)

Financial Advisor – Curtis Shook, Peacock, Hislip, Staley & Given, Inc.

Absent: Carolyn Fisher, Caryn Maxwell, Joy Moore, Bill Whittington, Jennifer Wesselhoff, and Charles Christensen

II. APPROVAL OF APRIL 12, 2007, TASK FORCE MINUTES.

Chief Shobert entertained a motion to approve the 4/12/07 Minutes; Mr. Minard so moved, Mr. Lillie seconded, and the motion unanimously passed.

III. STATION #4 TOUR (LOT, STATION, REGIONAL COMMUNICATIONS CENTER).

The group toured the Station #4 facility and its property.

IV. REVIEW, ANALYZE, AND DISCUSS SFD CAPITAL IMPROVEMENT PLAN/PROJECTS.

Chief Shobert distributed an updated Capital Improvement Program (CIP), and stated these are some of the higher priority projects for the next 15 years. He referenced a discussion from the last meeting about possibly selling Station #4 and purchasing property elsewhere to build; Chief Shobert stated there needs to be a fire station within one square mile of this location to be strategically placed (according to NFPA standards), and that he did not believe if we sold this property, we would be able to purchase another in this area.

A brief discussion was held about various growth and development areas within the district. Battalion Chief Dan Wills said for many years, a bridge in the Red Rock Crossing area has been a contentious discussion, but recently, developers in the Hi-Low Ranch area have offered to allow SFD emergency access (not public access) across a bridge in their subdivision. The area is downstream from Red Rock Crossing, off Loy Road, and would connect to Verde Valley School Road. This will, effectively, remove SFD from the crossing debate, as all SFD needs is emergency access for response and for possible public evacuations due to fire or other reasons.

Chief Shobert referenced the CIP and noted that Items One through Five on the list have asterisks which indicate those are immediate or medium range needs, and could be interchangeable depending on circumstances. Chief Shobert said the Chapel station is a high priority; many people think the Chapel area is built out almost to capacity, but a map was displayed showing large parcels currently under development or slated for development. Chief

Shobert said the property for the station is currently under escrow and is scheduled to close next week; the district bought the 1.52 acres from Christ Lutheran Church for \$640,000. Mr. Karademos asked if a better location for a station would have been further into the City limits, rather than on its outer boundary in the Chapel area. Chief Shobert responded that, geographically, and “mileage wise”, it is central between the City of Sedona and Village of Oak Creek, both of which the fire district serves. Additionally, there is a good amount of public use on the National Forest in that area, resulting in EMS and stranded hiker calls. Chief Shobert said in October, SFD responded to a residential fire in the Chapel area, and it took 12 ½ minutes for the engines to respond; he pointed out that was at 2:00 AM, not in heavy traffic. Chief Shobert said the number of emergency calls in the Chapel area last year was 171, and with projected growth, those numbers will increase. Many times, SFD has “back to back” calls in either West Sedona or the Village, which necessitate Station #4 “moving up” for coverage. All these things indicate a strong need for a station in the Chapel area.

Mr. Harr asked staff to clarify if the motivation for a station was driven by the roundabouts; Chief Shobert said roundabouts slowing response time was one reason, but it was secondary to the increasing Chapel population and back-up coverage to the Village of Oak Creek (VOC). He clarified that with 11 roundabouts between VOC and West Sedona, responding apparatus would have to slow from 40 MPH to 10 MPH to maneuver through, which could lead to an estimated 30-second delay per roundabout.

Mr. Harr then asked, with a population of 15,000, does it make sense to have eight stations. Chief Wills said it is a parallel conversation to the telecommunication argument; if we were in Kansas with a flat geographical location, one radio tower would do; however, the geography of this community drives the need for more stations. If this were a perfectly laid-out, grid-style community, eight stations would be too many, but we have several community areas through odd terrain. Chief Wills also pointed out the CIP does not project eight stations, as two of the projects are a fleet maintenance facility and the communications center.

Mr. Harr said the SFD budget could calculate out to be the highest-cost fire district in the nation per capita, and that is what people are looking at for the cost benefit. So, to “sell” this program in the real world, could be difficult. Chief Shobert said although there are no exact numbers of population for the greater Sedona area, Mrs. Wesselhoff of the Chamber of Commerce said their projections are that the community size doubles every day because of tourism, which makes the daily population of the fire district between 40,000 and 45,000. Mr. White said the problem is responders are funneled down into only two or three road arteries to access the 15,000 people scattered over a large square mile area.

Mr. Harr said there seem to be a lot of letters to the editor about SFD in the newspaper, and, possibly, it is time for the district to start responding to them. Chief Wills said SFD has a big initiative to educate the public on fire, CPR, and other safety issues, but maybe we also need to explain to citizens our response issues because of the unique aspects of our community and the complicated method of delivering service.

Mr. Lillie said, essentially, Station #4 in Uptown has always been the “central” station covering (or backing up) Oak Creek Canyon, Uptown, West Sedona, and the Village, and yet, it is listed as #3 on the priority list; Chief Shobert pointed out the top five items are virtually interchangeable in terms of priority, but he is trying to decide whether Station #4 or the Chapel

station is more urgent. Mr. Minard pointed out, although Station #4 is an old building, with cramped quarters, it is still an operating station handling calls, and there is nothing in the Chapel. The group agreed, however, Station #4 has problems and a limited service life.

Chief Wills reviewed the priority list and said, eventually Station #8 will need renovating, but its storage issue has been temporarily resolved with a large storage box surrounded by a fence. The Loop Road area had 28 calls last year, but as development continues, that number will rise. SFD has outgrown its fleet maintenance facility at Station #1; Chief Wills said it was inadequate when it was built in 1987, with very limited storage, no lift, and one pit. Last year, there was a brief discussion with other Verde Valley fire agencies about a combined fleet maintenance facility; the location discussed was the vacant fire station in Cornville; the agencies would share the facility and jointly pay the mechanics; however, Chief Wills said this would take a lot of work to put an agreement together, and none of the Fire Chiefs had enough time to accomplish it. After a comment from Chief Wills regarding specialized training and equipment necessary for fire apparatus maintenance, Mr. Harr asked if a world class mechanic would be able to repair fire trucks. Chief Wills said if they did not have Fire/EMS experience with a 1,000 GPM pump, with sophisticated hydraulics, or the electrical system in ambulances, probably not. He further said there are businesses in Phoenix where SFD could get warranty service, such as LaFrance, but the logistics of getting the trucks there and back for repair (such as, mileage on the chassis, drive time, etc.) make it challenging. Chief Wills said it is interesting discussion material, but the repair facility is “way down” on the priority list.

Chief Shobert then discussed Station #5 in Oak Creek Canyon; the current facility is at Indian Gardens, and SFD only owns one-third of the property; we are in year 18 of a 20 year lease with the Garland family. Station #5 is near the lower end of the Canyon, and optimally, SFD wants a station closer to mid-point; the Chief worked unsuccessfully for four years to partner with Arizona State Parks for a station at Slide Rock State Park. SFD is currently working with the Forest Service to acquire property just north of Slide Rock, and will need to talk to ADOT in terms of egress. There are only limited alternatives for property in the Canyon. Mr. Lillie asked about possibly extending the lease on the current Station #5 property, and Chief Shobert said Gary Garland has indicated he would work with SFD, but there are problems with the station, such as the septic system, which is “vault and haul”, and must be pumped every 10 to 14 days at about \$300; he is trying to come up with long-term solutions. Mr. Evans commented that a large number of tourists get hurt at Slide Rock every summer, which justifies the need for a station, but unfortunately, it is another fact that does not appear in the local newspaper.

Mr. Harr said the citizen task force needs to juggle priorities, put a time frame on them, and then figure out approximate costs, and discuss funding options; he commented it would be hard to project costs for four years out; Mr. Karademos said the best he could do for projecting costs would be “guesstimates”, but it would help to use a spreadsheet to look at specifics. Mr. White estimated \$3 million per project at today’s prices.

Mr. Shook said he would take the group through an explanation of public funding at an upcoming meeting; he said in the past, SFD has used the “pay as you go” method for capital improvements, but as we get into “larger ticket items”, pay as you go is not efficient; he reiterated current taxpayers should not have to pay the entire bill for buildings with a useful life of 30 years. Mr. Shook said Chief Shobert and Finance Manager Schmidt have given him the last three years of audits, and the district is in excellent position to choose how it wants to “drive

down the road”, instead of being “pulled down it”. Mr. White commented all these new facilities will also need equipment, furnishing, and staffing.

Mr. Lillie said if we, as a group, suggest going for a bond, SFD would be competing with the school district, and the preference would be to not enter that fight. Mr. Harr pointed out his corporate experience, but said that district financing is a new lesson for him; further, he feels controls and accountability for fire districts are very unique compared to municipal fire departments; he said he would not want to be the person to explain to taxpayers that the district is increasing the mil levy. Chief Wills said, again, the district puts out a lot of different safety messages, but could do a better job of explaining SFD isn’t just about “big red trucks”. Mr. Harr agreed the district should be proactive, rather than reactive; he also suggested someone could do more public relations work. Mr. Harr said the district should consider developing an ongoing community “oversight” (Mr. Harr commented “oversight” might not be the appropriate word) group; Chief Shobert commented he believes that is the Fire Board’s role. Chief Wills said years ago, a community group served in that capacity to help bring balance and advice to the district.

Mr. Karademos said there is an obvious need for a larger Communications Center and a better Station #4 facility, but the “big monkey wrench” is the sudden necessity for a Chapel station. Mr. Lillie commented community perception is SFD now needs a Chapel station because of the roundabouts. Mr. Evans said he has lived in the Chapel area for 18 years, and a station in the area has been needed since that time; he said the reason they did not build it years ago is because a new station in the Village was more of a necessity. He further said if you took the roundabouts out of the discussion, a station would still be needed. Mr. Karademos suggested changing the public perception about the roundabouts being the *reason* for a new station, and communicate the roundabouts would exacerbate an already urgent need. Mr. Harr commented that was an excellent suggestion. Mr. Harr contacted representatives with ADOT, and was told that roundabouts have not proven to cause any significant delays. Chief Shobert pointed out, though, that Sedona will be the first place to have 11 roundabouts along one stretch of roadway.

The group agreed the perception of “roundabouts as a reason” needs to be eliminated, and “selling” it as growth needs to be promoted because the community will be able to see the Chapel area is growing. Mr. Evans commented he was on the Fire Board for 9 years, and the Board, at that time, never looked 10, 15, or more years down the road; he said they did not look enough at capital investment needs, and were more concerned with people and equipment; he believes this Task Force concept is tremendous.

III. ADJOURNMENT.

The meeting adjourned at 7:50 PM; the next meeting is scheduled for 5/10/07 at 6:00 PM at Station #1 in West Sedona.

Original signed by Tricia Greer

Tricia Greer, Recorder to the Fire Board

:tg

**SFD Citizens Strategic Planning Task Force
May 10, 2007 / 6:00 PM
Station #1 – 2860 Southwest Drive, Sedona, AZ**

MINUTES

I. CALL TO ORDER/ROLL CALL.

Chief Shobert called the meeting to order at 6:05 PM.

Present:

SFD Citizens – Don Harr, Jim Evans, Carolyn Fisher, Bill Minard, Judd White

SFD Employees – Fire Chief Matt Shobert, Finance Manager Sandi Schmidt, Assistant Chief Terry Keller, Battalion Chief Dan Wills, Fire Inspector Gary Johnson, Engineer Clint Dobrinski; Captain Mark Rippey, Firefighter Casey Carr, Management Assistant Tricia Greer (as Recorder)

SFD Fire Board – Caryn Maxwell, Joy Moore, and Board Attorney Bill Whittington

Financial Advisor – Curtis Shook, Peacock, Hislip, Staley & Given, Inc.

Absent: Gary Karademos, Lonnie Lillie, Jennifer Wesselhoff, and Charles Christensen

II. APPROVAL OF APRIL 26, 2007, TASK FORCE MINUTES.

Chief Shobert entertained a motion to approve the 4/26/07 Minutes; Mr. White so moved, Mrs. Maxwell seconded, and the motion unanimously passed.

III. LADDER PRESENTATION.

Chief Shobert said he planned a presentation on SFD's recent ladder truck purchase, but Mr. Harr suggested, as its purchase is not a decision of this committee, to table the item.

Mr. Harr then said, as the Co-Chair of the committee, he would like to share information he gathered as a result of consulting with other fire districts and departments. Additionally, he spoke to an attorney that stated our citizen's committee has fiduciary responsibility as they are serving at the Fire Board's request; Mr. Harr wanted to make sure this committee is protected for any claims of liability brought about by decisions made by the committee. Mrs. Maxwell pointed out this group is strictly a recommending body. Attorney Whittington stated this committee has no fiduciary responsibility because it has no authority; he said State law gives qualified immunity to individuals who participate in this capacity. Ms. Moore added this committee is working to make a recommendation to the Board, but the elected Board will ultimately make any decisions.

IV. PUBLIC FINANCE PRESENTATION.

Mr. Shook said he would give a "Public Finance 101" lesson, and stated the basic concept is those who benefit from capital improvements should share in the payment. In the past, smaller districts have used "pay as you go" capital financing, but as districts grow and take on more responsibility, the movement is towards more traditional financing methods. Bonds are a

recognized, traditional method of financing public improvements. They provide a method of addressing capital needs immediately to respond to growth where current revenue cannot afford large ticket items. New facilities are paid over time for their useful life by taxpayers who use the system and current taxpayers do not pick up the entire cost. It is a method of having growth pay for itself and acquiring necessary facilities and equipment now. Bonding establishes a strong financial reporting system and credit worthiness as a key to low interest borrowing.

For “big ticket items”, such as what SFD is considering on the list of capital improvements, the district cannot pay for those in a short period of time, as it would use all its capital and if the assessed valuation (AV) did not continue to grow, there would be no funds left in a few years. Mr. Shook recommends a measured approach to paying for long term debt over the useful life of the facility/equipment.

Mr. Curtis then explained bonds are typically sold to institutions or wealthy individuals who desire tax breaks. With bonds, municipality securities are favored by the Federal government as a way to fund local governments, and income from those bonds is tax exempt; additionally, if purchased in the state where the investor lives, they are both Federal and state tax exempt.

Mr. White gave Chief Shobert a copy of the Sedona-Oak Creek School District bond proposal and asked him to make copies for the committee.

Mr. Curtis said there are, basically, two types of bonds – General Obligation and Revenue. General Obligation bonds (GOBs) are typically what special districts issue, based on assessment of property tax. They are backed by full faith and credit of the district. And it means that if the taxes collected at the rate being assessed are not enough for the bonds, the tax rate is raised to whatever is necessary to obligate to pay the bond. GOBs are tied to property taxes and require approval of voters at a general election held in November. GOBs have the highest form of security and provide the lowest interest rate to the issuer.

Revenue bonds pledge a certain revenue stream to repay the bond; unlike the property tax, financiers look at the revenue stream to determine the debt coverage ratio and bond companies typically like to see a debt coverage ratio of \$2 of revenue to every \$1 of debt being issued. Revenue bonds are a little more risky because there is no tax pledge, so they have a higher interest rate than GOBs. Some fire districts are moving towards GOBs because they know they must borrow the money, and by going to election, can get a lower interest rate.

Mrs. Maxwell said she would like to hear more about Revenue bonds. SFD’s revenue stream is from four main areas – taxes, ambulance billing, charges for services/dispatching, and communication rents. Under the revenue scenario, the agency pledges to pay it back in ten years, through an annual appropriation, and if the district does not have enough funds to make the payment, the bond company will take the security. Mrs. Maxwell speculated about using the natural growth of the district to fund capital improvements; this year, SFD revenue went up based on AV, so we should consider taking the \$1 million “windfall” this year for projects to pay for a revenue bond. Mr. Shook said if that is the consensus of the Fire Board, he could help structure a revenue bond to the 10 year revenue trends of the district with an estimate of what the revenues should look like over 5 to 10 years. Then, the district would have to pledge a source of

revenue for payment, and it would not require voter approval. Mr. White said for construction itself, the district should count on 5% increases every year. Mr. Shook said it would be possible to analyze all the different revenue sources and figure in inflation for the projects.

The group then discussed the possibility of securing a private placement loan, and asked what are the relative merits of private placement opposed to bonding. Mr. Shook said they have a much shorter term and can be placed one at a time, although, typically, they are “laddered”. Mr. Shook said he recently did a private placement for a fire district and it involved negotiating terms with the bank, a request for qualifications, and bidding it out; interest rates are typically higher with private placement loans.

Mr. Shook did not fully endorse this method because it is more advantageous for districts to have a long term finance plan, to make sure they are building credit-worthiness, to be cautious about pledging funds, and to use the right pledge for the right capital improvement project, so that districts “don’t trip over themselves down the road”. He’s seen situations where an agency will have a lot of smaller loans and then it takes extra time and effort to refinance them all to get where they need to be. For a smaller district that needed equipment, he would probably recommend getting a USDA loan, but he would not recommend that method for SFD.

In the examples provided in the hand-outs, the debt service schedules are based on \$10 million, simply because it is easier to figure. Mr. Shook ran the numbers based on current taxation, and the current market rate of interest would be between 4% and 5% on a GOB, depending on how it is structured, insured, rated, and/or had an election, or through the state bond bank. He used very conservative estimates in these tables. Behind the schedule is the tax analysis, using the increase in the AV and also preparing a table based on an average amount per year to pay off the bonds. He pointed out the committee could see the principal and interest payments and what the total would be in that scenario. On the next page, Mr. Shook projected the impact of AV conservatively, but for the first two years, used actual numbers and percentages from last year at 14.8% growth in secondary assessed valuation and this year, at 24% increase. He used a 7% average increase in AV for ten years, and then dropped it to 0% as a conservative estimation. He could take a look at all the subdivided land and amortize it over the years to get a better analysis of the reality of income.

The next set of projections is for Revenue bonds, still using \$10 million. These are a little more risky, and require a different type of revenue stream. Mr. Shook used 5.5% to get an idea of the amortization. There is not a lot of difference between the GOB and revenue bond projections.

Mr. Harr said the district receives “X” amount of dollars through taxes every year, and if we went back seven years, a tremendous amount of money was earned; if we look forward to the next ten years, the district may not receive a \$2.5 million increase every year, but it will increase, and if you pledge a million dollars every year for ten years to capital improvement, it would require this district to operate differently than it does now.

Mr. White asked if the \$1.75 mil levy rate is automatic annually; Mrs. Maxwell said it is automatic unless the Fire Board asks that it be raised or lowered. Chief Shobert said per State statute, the mil levy could go up to \$3.25, and several districts in the state are at the maximum.

Ms. Fischer said if you look at AV versus population, it is like comparing apples and oranges and it bothers her when district staff keeps throwing that out. Chief Shobert said it is our business to deal with not just the people who live here, but also the visitors. Ms. Fischer said she was not suggesting SFD ignore the tourists, but we can't "gold plate" things for them at the expense of the taxpayers. She would prefer staff did not keep saying we could go up to \$3.25 and that some districts are at that rate because their budgets are a quarter to a third of SFD's. Mr. White commented that he does not believe there is any enthusiasm to increase the mil levy; Mrs. Maxwell agreed and said it is not even under discussion. Mr. White said there is a lot of development going on within the district, and he does not think the district will be at build-out in two to five years, which means the base will increase every year; he then asked if SFD continued to get the \$1.75 rate, if we could live on that and hold expenses to the point that we do not have to bond; Mrs. Maxwell replied, "that is our hope".

Mr. Shook said each organization adopts a financial philosophy on debt, and there is natural growth in valuation. He said SFD may choose to leave taxes where they are as a philosophy, and take a percentage of the natural income to a long term program. As a financial advisor, he is here to help the district decide what the philosophy is and assist in getting the best possible financing within that option. Mr. White said the committee does not have to make a recommendation, nor the Fire Board make a decision they will have to live with forever; they could try it with the natural increases of AV, and then, in several years, if unable to complete the necessary capital projects every two years, could reconsider bonding.

Chief Keller commented "pay as you go" with the available AV is what, historically, SFD has done, but feels with capital infrastructure that will last 40 to 50 years, future residents will get a "free ride", and another financing method would be fairer.

Mr. White asked how much "snoosh" was in the projected numbers for the priority projects; Chief Shobert said they were purely estimates. Verde Valley Fire District just built a new fire station at \$2.1 million and that did not include the cost of the property.

Mr. White suggested that if the top five projects are interchangeable, that we should take the least popular one and drop it to #5, then use pay as you go, committing to one project at a time before moving to the next one. Ms. Fischer said when the local newspaper has an article that says SFD has an extra \$2.5 million and the top priority project is \$3 million, then the public says "good, they can pay for it before it is built", so she does not see how you could sell a bond issue. Ms. Moore said education is the key to letting the public know exactly what that \$2.5 million means to SFD. Chief Shobert said \$1.2 million is earmarked to help offset some of these projects. Each year, after that, we are trying to designate \$1.2 million as capital reserves. We had funds in a capital reserve account, but recently, paid for the Chapel Area property in full. Mr. Evans suggested SFD would not know the true cost of any of these projects without getting an architect and contractor to give them to us.

Mr. White asked if the Board would be comfortable with initiating the first one or two projects on a "pay as you go" process to see if the money is materializing and deferring the bond issue. Mr. Shook said if the Board is satisfied in paying off debts short term for assets that will last 30 years, then that would be acceptable, but if they want future residents to also participate in the

payment, then he would suggest structuring it differently as we take on more projects. Mr. White said one can also look at the availability of land in this area, and that the growth from new construction has a finite life until builders begin replacing mobile homes with stick built; the district could save its bonding ability for when there is not a whole lot of new construction left. The school bond is for \$75 million, and he suspects it will pass; Mrs. Maxwell said SFD does not want to compete against that.

Mr. Minard said if we build the Chapel station, we will have to staff it; the remodel of Station #1, building a new Station #4, and the Communications Center will not require additional staffing. Mr. White suggested the Chapel station could come later, relying on the natural increase of funds to pay for additional staffing. Chief Shobert said the Chapel station has risen to the top of the list of priorities based on projected growth in the Chapel area to the Village. Mr. Minard said the way he sees it, of the five projects, only one does not exist at all, and it would seem that is the highest priority. Chief Shobert said it is approximately seven miles between Uptown and the Village for response. Ms. Fischer said going back to discussion from the first two meetings about response times, that the Chapel area is a big gap.

Mr. White said he hears comments that for a town of this size, why would we need another station, which to him, means the Chapel station is the most controversial item of the five projects; he added, however, the committee was not there to re-evaluate the priorities because fire district staff is the expert in that area, but he believes it will be the “hardest sale”. If it is done without a bond issue, however, it could be, essentially, invisible to the taxpayers.

Mr. Shook added that every fire district budget has four segments: (1) personnel, which is typically, 60 to 80% of any public budget; (2) Operations and Maintenance; (3) debt management; and (4) capital improvement. He said every good, well-planned public entity has a capital plan to lead them into the future. He compared those four items to balls being juggled, and if one is dropped out, it is usually the capital program, but the idea is to keep juggling all four. He feels that is what this committee is trying to help do.

Mr. Harr commented upon his visit to the City of Flagstaff and his discussion with the Fire Chief, Assistant Chief, City Manager, and Fire Marshal about their operating budget. The Flagstaff Fire Department budget is \$10.2 million, and they also have 100 employees with 75,000 residents. Chief Wills pointed out they do not provide ambulance service, mechanics, or administrative staff; he said municipalities have embedded services that do not show up in fire department budgets, and that is why comparisons with cities are skewed. Mr. Harr said Flagstaff had very positive things to say about SFD’s Regional Communications Center. He said they have to live within a very tight financial analysis of everything they do; additionally, Flagstaff Fire is cross-charged for administrative services and nothing is “free”. Ms. Fischer said in municipalities, the administrative functions are done from a clerical pool, and a fire district is not constrained in that way, but inherently, it seems to make the fire district less efficient.

Chief Wills said SFD has worked very hard to do a lot with a little, and find opportunities to be economical. Chief Wills said SFD thinks its way through our responsibilities and how we spend money; however, there is always an opportunity to do things better especially when expending public funds. Chief Shobert said we have to think about planning thoroughly for the next fifteen

years, and it is his and the Fire Board's jobs to worry about the future; he added that was not done very well here at SFD for the past couple of decades.

Mr. White referred to the comparison list of ten to twelve fire districts the committee was given and stated SFD would do well to compare itself to those districts of the same approximate size, AV, and services. Chief Shobert said, additionally, SFD has its own ambulance service and on that list, only Golder Ranch also does, with all the others using private ambulance contracts.

Again, Chief Wills commented it is important for SFD to go out and market ourselves because we do not serve a community of 18,000 people in a two square mile area in Kansas; we have a very unique location, and we are not doing a good job of letting the public know how complicated it is to provide excellent service.

Chief Shobert commented there was not enough time to provide a tour of the Station #1 facility tonight, and that would have to be tabled until another meeting. Because of a variety of conflicts for May 24th, the next meeting is scheduled for Thursday, May 31st at Station #3 in the Village of Oak Creek. This committee will make its recommendation to the Fire Board at the June 27th Board meeting.

V. Adjournment.

The meeting adjourned at 8:00 PM.

Respectfully submitted,

Tricia Greer, Recorder to the Fire Board

**SFD – CITIZENS STRATEGIC PLANNING TASK FORCE
PUBLIC MEETING
Station #3 – Slide Rock Road – Village of Oak Creek
Thursday, May 31, 2007 / 6:00 PM**

Present:

SFD Citizens – Lonnie Lillie, Don Harr, Bill Minard, Carolyn Fisher, Judd White, Jim Evans, Laura Rumann, Craig Dible, Jennifer Wesselhoff

SFD Employees – Fire Inspector Gary Johnson, Battalion Chief Dan Wills, Fire Chief Matt Shobert, Captain Tim Lefler, Administrative Clerk Carla Dufort (as Recorder)

SFD Fire Board – Caryn Maxwell and Board Attorney Bill Whittington

Financial Advisor –, Peacock, Hislip, Staley & Given, Inc.

Absent: Curtis Shook, Gary Karademos and Charles Christensen

I. CALL TO ORDER/ROLL CALL.

Chief Shobert called the meeting to order at 6:00 PM.

II. APPROVAL OF MAY 10, 2007, TASK FORCE MINUTES.

Chief Shobert entertained a motion to approve the 5/10/07 minutes; Mr. Minard so moved, Lonnie Lillie seconded, and the motion unanimously passed.

III. CAPITAL PROJECTS.

The group decided at the last meeting to focus on capital projects for the next five years which include Oak Creek Canyon, Chapel area, and Uptown. Mr. Harr felt we should prioritize the original nine items, which are:

1. Chapel Area Fire Station
2. Communications Center
3. Fire Station 4
4. Station 1 upgrades
5. Oak Creek Canyon
6. Station 8
7. Red Rock Loop Area
8. Fleet Maintenance
9. Airport

Mr. Harr would like to use a format that everybody can understand; the public is interested in what is going to come out of this citizens' committee. Funding is a concern; the original thought was, possibly bonding, but since then, discussion has been held that maybe SFD would not want to compete with other bonds from local organizations. At the last meeting, the group discussed looking into funding internally. Mr. Harr met with four comparative districts and two departments, and has three districts to go. According to those he has talked to, Northwest is no

longer a comparative district because of the large population. Mr. Harr is working on a comparative format for presentation at another meeting. Another district highly recommended for comparison is Bullhead City, as it has similarities with SFD; he was cautioned about using Assessed Values for comparison and was told to watch population. Some of the districts on the list have double or triple the population and if divided out, the cost per taxpayer varies widely. The only bonding Mr. Harr saw was in departments. They pay higher interest rates; but they borrowed short term and pay back. If you pay it earlier there is a reduction on the interest. Mr. Harr stated that all the Committee has gone through has been a part of the learning experience for all. Ms. Fisher thanked Mr. Harr for the hours of work he has put into this on behalf of Sedona and the perspective he gained will be valuable to the committee's decisions. Mr. Harr said around this table, there are personal "agendas", but in the end, he hopes the committee can come up with an agreement.

Mr. Harr said he asked Prescott and Flagstaff about building new stations, and they responded that now that their departments have grown, they are finding out the old stations are not in the right spots, and that though they can still be used, they need to fill out coverage in new areas of growth. He said if we want to fill in response times, there are areas where new stations are needed. Mr. Harr also suggested putting timelines on the projects because funding today will be different in five years. Chief Shobert stated that the projections began long ago for long term; that is how we ended up with the list and this group.

A discussion took place about not looking at today's dollars to save money and not to worry about inflation factor. Ms. Fisher said looking at where the growth will occur, and how new stations should be placed to handle that growth, but to place them now for a small number of people is not necessarily a cost-effective way to spend dollars. Mr. White said he recalled that SFD already set up a capital reserve account, and asked how much was in it currently; Chief Shobert said it is down to about \$150,000 because SFD just paid for the Chapel area land in cash. Next year, it is projected to be at about \$1.25 million. Mr. White said, generally, if you average two projects every five years and the reserves stay fairly constant, SFD would be right on target without a lot of controversy. Mr. Harr feels the committee should try to come away with a one and two priority with a time table; Chief Shobert said he felt the discussion last week was headed in that direction. Mr. White said the longer the list is when it is published, the more problem it will be to justify the formidable-looking dollars. Ms. Fisher said it is important to include the need for manpower and equipment for a complete picture.

Mrs. Maxwell agreed that the list needs to be the "whole picture"; she said we also need to be able to work within our budget. Chief Shobert said the list is comprehensive; Mr. Harr agreed and said the list "looks forward". Mr. Harr said this community can have a "happy marriage" if SFD can figure out how to fund these projects using reserves and tightening "your belts". Mr. White said the reserves will lose their identity as a "windfall" when it is used to fund capital projects. Mrs. Maxwell said the Board and staff have discussed the possibility of funding it through reserves and not have to bond. Mr. White said SFD will have less opposition if it doesn't ask the community to vote on a bond. Chief Shobert initially thought the bond issue would be good before he found out about the AV but knowing these projects were on the horizon, and not knowing that the School District and/or City was considering bonding;

however, after learning about that he has been looking at other options. Mr. Harr said there is concern about a potential “Prop 13”, not only here, but for the whole state.

Ms. Fisher asked if a four minute response is the goal, then what is needed on the list of projects to make that happen. Chief Shobert said the proposed Chapel station is not only to serve the growing Chapel area, but also to back up the Village if and when necessary.

Mr. Harr suggested it would be good to have a private ambulance company make a proposal and see if there could be a savings. Battalion Chief Dan Wills said there has never been one done; EMS is integral to this community and he feels to leave personal well being to the lowest bidder would be a mistake. For a private model to come in here, they would have to capitalize how they will extract a profit, and Chief Wills believes the expectation of service will not be met by a private provider. Mr. Harr stated Chief Wills has a nice justification summary; but the resistance to even look at it is not good. Mrs. Maxwell stated there is no reason why someone could not come in. Mr. White advised caution in bringing in a private contractor because it will generate lobbying if they actually felt there was a chance to win a bid; additionally, an independent third agency would have to be found to evaluate the comparisons. Chief Shobert would like Mr. Harr to have this discussion with Jeff Piechura at Northwest Fire District. After further discussion, the committee decided a cost benefit analysis of EMS services could be productive. Mrs. Maxwell then said this subject is not on our list to discuss; Chief Shobert agreed the committee had gotten off the agenda.

Mr. Lillie asked about Station 3’s capacity for staffing as far as bunks, bays, etc. Chief Wills stated there is space for seven firefighters currently and we staff five. Mr. Lillie wanted to know if a cost analysis had been done exploring extra staffing instead of building another station. Chief Wills remarked that regardless of staffing at Station #3, it will never shorten the response time to the Chapel area, and that area will continue to grow. Chief Wills said SFD is looking at the Chapel as being the best compromise of personnel efficiency, and we cannot “keep throwing personnel at the problem” as that is too costly. Mr. Lillie asked what we are looking at staffing for the next station; Chief Shobert said three firefighters per shift. Ms. Fisher asked why not just staff an ambulance in the Chapel, and bring in an engine from Stations 3 or 4 for fire suppression calls; Chief Wills said to get the best impact, a Type 3 engine, an ambulance and three staff members would be used. In the case of an EMS call, they would take the ambulance, and if needed, they could take the engine; Chief Wills said it is called a “menu concept” and is an economical system for limited staffing. Chief Shobert stated that is what is done in Oak Creek Canyon. Mr. White also pointed out this facility should be built with planning for the future, so that it doesn’t have to be modified in five or ten years. Mrs. Wesselhoff said she felt the group has agreed that the Chapel area is the number one priority; Chief Shobert agreed. Mr. White added that it would not just be a benefit to the Chapel area, as it would also reinforce services to Uptown and the Village of Oak Creek.

Mr. Harr said regardless of what we decide as far as priorities, we have to fund it, and this is an exercise to find funding method, and if the public knows that SFD is considering options, he feels that is a “plus”. Additionally, he feels the maintenance center, although it needs additional research, could be a good idea. Chief Shobert will fill out the form provided by Mr. Harr and

have it ready for the next meeting. Mr. White asked to see the list banded into priorities and keep the main focus on the first band of highest needs. Mrs. Maxwell commented the maintenance center could make more money than the Regional Communications Center. Chief Shobert added the fleet maintenance center would be shared by other regional departments but would not be modeled after the Regional Communications Center format; it would need to be a joint effort and it was previously suggested to use the vacant fire station in Cornville. Mrs. Maxwell suggested it could be moved to #4 on the list.

Chief Shobert said we must consider the Oak Creek Canyon station as the lease is up in 2010. Ms. Fisher asked if that station is bumped up on the priority list that Chief Shobert would need to provide the reasons for the decision so that the committee can understand why. Chief Shobert said we are currently spending money on Station #4 maintenance, but it is more important to serve an area that is not currently effectively served. Mr. Lillie asked for response statistics for Station #5 broken down into months.

Chief Shobert stated it is important to remember the amount of tourists in the Sedona area and the average age of the community at 65 years old. Battalion Chief Dan Wills also mentioned the terrain and other unique features of the area that complicate the issues. He also pointed out the tax money from tourists goes to the City of Sedona, not SFD.

IV. RECOMMENDATION SUB-COMMITTEE.

This item was tabled and will be discussed at the next meeting.

V. ADJOURNMENT.

The meeting adjourned at 7:35 PM

:cd/tg

**SFD – CITIZENS STRATEGIC PLANNING TASK FORCE
PUBLIC MEETING
Station #1 – 2860 Southwest Drive – West Sedona
Thursday, June 7, 2007 / 6:00 PM**

MINUTES

I. CALL TO ORDER/ROLL CALL.

Present:

SFD Citizens – Lonnie Lillie, Don Harr, Bill Minard, Carolyn Fisher, Jim Evans, Judd White, Gary Karademos, Bill Minard, Craig Dible (as observer)

SFD Employees – Fire Inspector Gary Johnson, Fire Chief Matt Shobert, Finance Manager Sandi Schmidt, Capt. Ed Mezulis, Firefighter John Moran, Management Asst. Tricia Greer (Recorder)

SFD Fire Board – Caryn Maxwell and Board Attorney Bill Whittington

Financial Advisor – Sue Gibbs/Peacock, Hislip, Staley & Given, Inc.

Absent: Jennifer Wesselhoff

Chief Shobert called the meeting to order at 6:02 PM.

II. APPROVAL OF MAY 31, 2007, TASK FORCE MINUTES.

Regarding the reference in the 5/31/07 Minutes to “only departments bonding”, Chief Shobert clarified that one of the districts Mr. Harr talked with, Central Yavapai, has bonded. *Chief Shobert entertained a motion to approve the 5/31/07 minutes, as discussed; Ms. Fisher so moved, Mrs. Maxwell seconded, and the motion unanimously passed.*

III. CAPITAL IMPROVEMENT CHART.

Chief Shobert referenced the fleet maintenance facility, and said Mac McCall from the Sedona Airport said he would be receptive to a shared facility on airport property, although a disadvantage would be the road to the airport. Based on Chief Shobert’s professional opinion and the request of Mr. White to band priorities, the color coding on the latest chart represents “green” for Band A, “yellow” for Band B, and “blue” for Band C. Mrs. Maxwell asked where the Chief came up with the figures in the construction cost column, and Chief Shobert said he did it based on other construction projects from Flagstaff and Phoenix, and discussions with contractors and architects. Mr. White asked if it was based on “rule of thumb” cost per square foot, and Chief Shobert said, as discussed at the last meeting, the going rate seems to be \$300 per square foot. He also said he tried to err on the “high side” with the estimates. Ms. Fisher said that would make the Chapel area facility about 7,000 square feet; Chief Shobert said about 50% of the space in the building is for apparatus bays for the engine and ambulance. She then asked if apparatus has to be under cover; Chief Shobert replied affirmatively and explained that drugs are in the vehicles that require controlled environment, and the water carried is subject to freezing during the winter.

Mr. White then asked if the staffing costs under the Chapel area were an annual number; Chief Shobert said that would be for two new, additional employees, as we could supplement it with current staffing to provide a three person “around the clock” crew. He pointed out it would be an additional cost of \$120,000 annually (\$60,000 per firefighter including benefits). Mrs. Maxwell asked Chief Shobert to explain SFD’s minimum/maximum staffing; he said, currently, in the district we have minimums of five personnel at Station #1 (West Sedona), five at Station #3 (VOC) , five at Station #4 (Uptown), and two at Station #5 (Oak Creek Canyon), but we have additional staff to cover absences. Mr. White said he felt that sticking staffing figures in a Capital Improvement Program is useful for the committee, but it is a “red flag” to some people, and feels it should be removed before presenting to the public. Mr. Harr pointed out the architect figures seem high compared to some he talked to; Chief Shobert asked if those architects had fire station experience, and Mr. Harr replied affirmatively, and suggested meeting with the Chief to look at cost per square foot figures and architect fees. Chief Shobert said the architectural firms he has talked to have built fire stations in Prescott, Central Yavapai, Northwest, and a new station for Verde Valley Fire. Chief Shobert stated he felt a three-person fire station in the Chapel area should suffice for a number of years, using the menu system; the primary response vehicle would be a Type 3 wildland apparatus that could respond to structure fires, as needed, as well as, wildland fires, and include a paramedic to respond to medical needs.

Mr. White asked how large the current Oak Creek Canyon station is; Captain Ed Mezulis estimated that the living area is 1,500 square feet maximum, and the apparatus storage is about 2,000 square feet. Mr. White noted that the new station would be double the size even though the staffing would be the same or similar. Chief Shobert commented he is trying to plan for not only three to five years, but preparing for the next forty or fifty years in “bricks and mortar”; he also stated crew quarters at the current Station #5 in Oak Creek Canyon are too small. Additionally, he hopes SFD can partner with the Forest Service in Oak Creek Canyon to provide them with an apparatus bay and office space, using Forest Service land. Mr. Evans commented Station #5 was not originally built for “around the clock” staffing, but rather for volunteer response. Mr. Karademos asked if there has been any new consideration of volunteers being used in Oak Creek Canyon; Chief Shobert said Gary Garland and Dave Watters have expressed interest in coming back as support reserves to operate water tenders, and the district is currently considering it. Mrs. Maxwell said for now, that is fine, but what about in ten years when the dynamics change in the Canyon and SFD does not have interested individuals; she said we must keep in mind the future when building facilities.

Chief Shobert said Oak Creek Canyon is a very dangerous place with fire, car accidents, and flooding; he said SFD is well trained and well equipped for those worst case scenarios. Mr. Harr said he would not want to see us skimp on that station, especially if it was combined with the Forest Service. Mr. Lillie asked if the current Station #5 could continue to serve, considering the vault and haul sewer situation, and if anyone from SFD has talked to the Garland family about extending the lease. Chief Shobert replied the station is a little out of optimal position (as it would be better to have the facility closer to Slide Rock State Park), and that vault and haul costs \$300 every two weeks. Fire Inspector Gary Johnson commented when a land opportunity presents itself in Oak Creek Canyon, there will not be a “big window” of time to consider it because of the limited amount of available land; he said after the land is secured, then we could talk about the size of the station and its placement. Ms. Fisher said opportunities with the Forest Service for partnering are bigger than have really been explored; Mrs. Maxwell stated she hopes

Ms. Fisher is right, but SFD has tried. Mr. Harr also said he has two names from State Parks to possibly talk to about partnering in Oak Creek Canyon.

Ms. Fisher asked why Station #4 was listed at \$6,000,000; Mr. Evans reminded her that is for two projects – the fire station and the Communications (Comm) Center. Mr. Harr said, technically, the two projects do not have to be located next to each other, as they have two separate functions. Mrs. Maxwell said she was thinking of having the architect do the drawings for both projects, but only start one of them, moving the fire station to the yellow band. Chief Shobert said he thinks they should be split and shown as two separate projects. Ms. Fisher asked if it would be possible to consider turning the existing station into the Comm Center, and concentrate the firefighting aspect of Station #4 in the Canyon. Mr. White said that would take out a lot of the redundancy SFD is trying to build in for backing up other areas. Mrs. Maxwell said Station #4 in Uptown is a strategic and vital location for SFD; Mr. Lillie agreed and called it the “spoke of the wheel”. Ms. Fisher said if you think outside of “the box”, and if we were starting over, where would we want the station positioned. Mr. White asked if staff considered the building at Station #4 totally obsolete for either of these projects; he wondered if removing the Comm Center from it and turning it totally into a fire station or vice versa would be possible; Chief Shobert said staff has had that conversation to build the Comm Center somewhere else and refurbish the Station #4 building, but it was built in several phases through the years in a “hodge-podge” manner. Mr. Karademos asked how many square feet are they considering for the Comm Center; Chief Shobert replied in the initial drawings, the building was about 7,500 square feet, including office spaces, storage, and Coconino County offices (per the purchase agreement for the land). Mrs. Maxwell pointed out the location of the Comm Center directly across from the phone equipment is ideal. Chief Shobert stated the ISO inspector was impressed with the physical location of the stations for optimal response zones.

Mr. White requested a clear, simple, articulation of why we need to build a fire station on the new land, and tear down the existing building for a Comm Center. Mr. Lillie asked if it would be better to pull the Comm Center out of the present building and build a new Comm Center, which would allow bumping up the height of the bay doors to accommodate the newer fire trucks. Chief Shobert said, optimally, Uptown would be the ideal location for the new ladder truck, but the building cannot accommodate it.

Mr. Harr asked if “the only place on the planet” for the Comm Center is there; Chief Shobert said “no”, but he thinks it is ideal because we already own the property, it is right across the street from the phone company, and, importantly, the tower is already in place. Mr. White said he felt the fire stations, with the new ones listed, are probably located in the right positions, and there is a great deal of value having a fire station for response in three directions; he feels if it were moved, SFD would lessen capability instead of enhancing it, which would not go over well in this community. Mr. White said he could see a compelling reason to build a new fire station, but not to tear the old one down and build a new Comm Center, and if we re-use the existing building, the “tab” would drop by about \$2 million. Chief Shobert stated if we retain the existing building for either the fire station or Comm Center, we would have to hire a construction engineer to make sure it is structurally sound. Additionally, there are serious water leak issues, and probably, mold problems.

Chief Shobert said Station #4 in Uptown is, strategically, ideally located for emergency services. Ms. Fisher asked what is the most important function to have on that piece of property – the Comm Center or the fire station. Mr. Lillie said Battalion Chief Dan Wills said having the phone center across the street gives the Comm Center more technical stability. Chief Shobert said he would work on the Station #4 issue, and split the two projects out (as they were previously) to update the Capital Improvement Plan. Mr. Evans urged the Chief to check with the phone company to ascertain the feasibility of moving the Comm Center.

IV. REVENUE PROJECTIONS.

Based on assessed valuation, Chief Shobert presented a chart using conservative estimates of 7% for three years, and 3% for seven years. Comm Center revenues are about 3% of SFD's budget, and he did not project increases in that over the course of the next 10 years. Ambulance revenue is about 7% of SFD's budget, and an ambulance rate increase has been requested through Department of Health Services which should increase that revenue by 15% (of the 7%). Ms. Gibbs with Peacock, Hislip said the figures for the first two years came directly from the counties. Ms. Fisher said the numbers from January 2005 through June of 2006 were from when the real estate market in Sedona was "crazy", and there is a lag in seeing that result in the assessed values. Mr. Harr said that was statewide; Bullhead City is at \$550 million, Daisy Mountain is at \$600 million, but Mr. Harr said you must divide that by 40,000 homes. Chief Shobert said SFD could have cut the mil levy by a number of cents, but instead, we have earmarked those extra dollars for a capital improvement plan, knowing there are large projects on the horizon. Peacock, Hislip gathered the information, and Ms. Gibbs pointed out the five year average for the district has been well over 11% and the ten year average has been over 9%, so she believes the 7% projections are conservative. Mr. Harr again cautioned that a "Prop 13" type law would change everything for the district; he said he did not bring it up to other districts, but the chiefs and administrators mentioned it to him. Mr. White asked if the projected figures included any assumptions for future new homes, and Ms. Gibbs replied they did not. Mr. White said that definitely makes these figures conservative, and asked how close to build out is Sedona; Fire Inspector Johnson said we are at 70% to 75% of build out, depending on what is done with the large properties that have the capability to be split.

V. STATION #5 2006 (12-MONTH) INCIDENT STATISTICS.

Chief Shobert presented the 2006 incident (emergency response) statistics for Station #5 requested by Mr. Lillie at the last meeting. Mr. Lillie asked if this 171 total calls were for Oak Creek Canyon response only, or did they include calls that the Station #5 crew responded as back-up for other stations; Chief Shobert responded, Oak Creek Canyon calls only. Chief Shobert said the Canyon is a dangerous area of our district, and it is appropriate to have a level of service there; he then pointed out when there are back-to-back calls in the fire district, the Oak Creek Canyon engine comes down to be available as an additional response crew. Ms. Fisher asked how often did that happen; Chief Shobert consulted with Captain Mezulis, and they estimated about 18 times a month. Chief Shobert said there are two personnel at Station #5 – a captain and an engineer – with one of those being a paramedic. If a new station was built in the Canyon, Chief Shobert would prefer to increase that staffing to three.

Mr. Lillie asked if Station #5 was the "retirement station" where firefighters would want to move as they get closer to retirement because the call load is lower; he then asked if the community would want to spend \$3 million on a "retirement station". Mrs. Maxwell said in the past, they

have discussed placing crews there during the summer months only, and using them elsewhere in the district during other months. She then asked if the \$3 million figure included land cost, and Chief Shobert replied affirmatively; he said if a land trade with another agency occurred, that amount could be reduced by about \$750,000; Mrs. Maxwell then asked if that made the project more palatable to provide the service, and also provide space for Forest Service trucks; Mr. Lillie said if a partnership occurred, then he would have no problem with it. Mr. Evans reminded the committee that Station #5 was in the lower section of the Canyon, and, therefore, not ideally situated for response; he said if a station was built further up in the Canyon, it would be better for a quick response to Slide Rock State Park, where many injuries occur every year.

Mr. Minard commented Oak Creek Canyon is not going to experience much more growth, and asked what would be the increased responsibility over the next ten or twenty years; Chief Shobert said growth is projected to be minimal, but the advantage is coverage for catastrophic wildland fire in Oak Creek Canyon with the potential to kill many people or deface the Canyon so that visitors would not want to visit. Mr. Lillie said he was not arguing with staffing Station #5, but just discussing the numbers. Mrs. Maxwell asked if it is worth paying the “vault and haul” fee for the next ten years, versus the value to move it up on the list because it could help SFD do a better job. Mr. Harr said he would be happy to go with Chief Shobert to meet with the State or the Forest Service to discuss a partnership. He agreed with the Chief that the appeal and importance of the Canyon to the area’s economy should make that job easier. Chief Shobert also pointed out with the Forest Service station on Brewer Road closing, the wildland trucks are now stationed a long way from the Canyon at Wet Beaver Creek.

VI. SFD STRATEGIC TASK FORCE BOARD PRESENTATION.

Chief Shobert said the committee is close to accomplishing the goals discussed six to eight weeks ago, and according to the timeline, next Thursday is this committee’s “sunset” meeting. Mr. Harr said meeting with various fire districts around the state has been interesting, and he has received a great deal of information from SFD Finance Manager Sandi Schmidt. He said as a person from the business world, the numbers tell a story, and he understands all these projects will only get done with money and an income stream. He commented SFD has the highest per capita revenue of any district in the state. Chief Rick Southey in Bullhead City said SFD may be “picking tourists off the rocks”, but they are “picking them off the highway” after they drink at the casinos. Mr. White said he is not comfortable with comparisons of other districts and defining SFD with mediocrity; he said he believes the public, with the exception of a few fairly vocal people, wants what they are accustomed to having, and understands this service cannot be compared to “Clarkdale”. Mr. White believes this committee can agree to a ten-year plan which includes the top four priorities, but the proof of this is going to be whether the revenues increase in these first couple of years to sustain the premise.

Chief Shobert said as far as comparisons, 32% of SFD ambulance transports are for non-residents, and that we do not take them to the Sedona Emergency Center, SFD must transport them to Flagstaff or Cottonwood, which means firefighters are out of the district for that period of time. He said when someone gets stuck on Bell Rock, it doesn’t take one or two firefighters to rescue them, it could take up to ten, and then, a two-hour transport. Chief Shobert said we attract visitors from all over the world, and SFD rescues them on a regular and consistent basis. He further said he has great concern about hundreds of homes burning, and that he must have an adequate number of firefighters to protect this complicated district. Responding to a question

about ambulance billing, Chief Shobert said residents' insurance companies are billed, but if they do not have insurance (or not enough insurance), locals are exempt because of their taxes; out-of-towners are billed directly, and according to Finance Manager Schmidt, most of them pay.

Mr. Harr said the public is going to want to know why SFD costs twice as much as districts that have twice the amount of residents. He said we can't get by with "Sedona residents expect more" because it will not "sell". He further said this committee must present a summary of its function for the last few weeks. Mr. Harr felt the Chief should present how the committee got started to the Fire Board, and then, he would present the citizens' perspective, although he acknowledged within the citizens' committee, there are differing opinions. He said the committee is now off the bonding issue, and the key is how to fund this, especially since some of the estimates may double in ten years. Mr. White said SFD needs to get standard inflation indices projections, which the government publishes, to be able to better estimate these costs. Mr. Lillie asked how close the committee is to having a recommendation for the Board because a lot of questions have come from these meetings that need more discussion. Ms. Fisher said she does not think the committee is "that far apart", but the Station #4 equation still seems to have a lot of different possibilities.

Mr. Harr asked how do we explain the financial need; three of the chiefs he talked to said don't use tourists or square miles to justify need; Chief Shobert said tourists greatly impact SFD's ability to provide emergency services; Mr. Harr said no one is saying reduce your "head count" and what he is hearing is about the additions each year and funding the capital projects; he feels it is important for the additional tax money to go into a reserves account to pay as you go, as he feels that is "sellable"; Chief Shobert responded that SFD has changed its philosophy, and that the bond issue is not even on the table anymore; furthermore, we are increasing our capital improvement reserves. Mr. Harr said in terms of SFD communicating more with the public, he feels the committee has a good synopsis to put together to present to the Fire Board and the masses that read the local newspaper. Ms. Fisher said the summary needs to be substantive and straight forward. Mrs. Maxwell commented we really don't need to hire a PR person because we have the talent inside to use. Chief Shobert said we have positive publicity such as being able to take heart attack victims directly to the operating room, rather than the emergency room, because we have the technology to know how to proceed; Ms. Fisher said, sometimes, that comes across as more "tooting your own horn" and "fluff". Chief Shobert said that is the type of thing that saves lives; Ms. Fisher said everyone wants lives saved, but it comes back to how much does it cost to save that life, and she pointed out that not every life can be saved; she used the example of an infant with multiple birth defects and how it would cost \$5 million to save that life, and asked even if it were saved, what would be the quality of life; she said saving lives is important, but what could have been done with the \$5 million for 500 people; she feels this committee must look at those kinds of hard decisions and at what cost.

Mr. Karademos said one of the most critical things to do is to compartmentalize our needs, and pointed out in reality, there are several "districts" within the SFD – Oak Creek Canyon, Village of Oak Creek, Chapel area, and West Sedona; they are all different, and are separated geographically; he feels the committee needs to stress the compartmentalization of Sedona as a reason it all costs so much money. He believes identifying the needs of the separate areas would be more meaningful than lumping the district together as a whole. Ms. Fisher said if she lived in the Canyon, that is where she would have deliberately chosen to live and would understand there

is a greater risk, and so, in talking about the character of each of the different sections, those residents need to realize they take a greater risk. Mr. Karademos suggested looking at income from the tax base of the different areas of the district, and if, for example, the tax base from the Red Rock Loop area is very minimal, then, perhaps, there should be minimal assets there.

Mr. Harr said the Chiefs and administrators he has met have asked him, as a corporate businessman, what he was trying to achieve from this exercise, and he replied his one thought was to get this group to think more like they are running a business. He then said two chiefs called him back, and referred him to an article in *Fire Chief Magazine* regarding the “new breed” of fire chiefs and how they are running fire departments more like businesses than typical government agencies. He said the article stated that “volunteer chiefs just might have an edge due to their full-time jobs in the private sector”. Mr. Harr pointed out the article stresses that education is the number one area that separates this “new breed”. He is meeting next week with Deputy Chief Martinez from Prescott to talk to a Battalion Chief that just finished his Masters degree at ASU in Fire Administration. Chief Shobert commented he is on the “same page” with this philosophy, as SFD is evolving and that is part of why this committee was formed. Mr. Harr said changes are taking place and the community is asking for cost benefit accountability. One of his goals is to set a thought process of looking at these options. Chief Shobert asked how we take these committee discussions, and compile them into a ten-minute Board presentation in two weeks. Mr. Harr said it is just a matter of articulating what resulted from the Chief asking for community involvement.

Ms. Fisher asked if this committee would have an “end product” to recommend to the Fire Board. Chief Shobert then read the list of goals presented at the April 12th Task Force meeting, as follows:

- Provide taxpayer/citizen input to the SFD Strategic and Capital Improvement Plan.
- Establish a five-year capital prioritization list.
- Provide capital funding recommendations to the SFD Governing Board.

Ms. Fisher said she felt the group was close to those with a couple of outstanding questions regarding Station #4. Chief Shobert said Station #4 is a key strategic stronghold for the district. Ms. Fisher said she was not here to question where the strategic locations are, but rather, she sometimes presents ideas to push people out of their “comfort zones” to open up discussions. Chief Shobert will re-do the Capital Improvement Plan, splitting out the Comm Center and Station #4. Mr. Harr said in doing that, he believes the committee is in consensus regarding the list of projects. He would explain to the Board on June 27th that the committee started with a list of nine projects, and prioritized them because, although they may all be important, they cannot be accomplished at the same time; Ms. Fisher said that is an important point to make because, physically, all these projects could not be done at once. Mr. Harr said he feels the committee’s recommendation should be what Chief Shobert requested from “day one”, and that is to answer “where do we need better response”.

Mr. Lillie asked, again, if talks have been made with the Garlands on extending the Station #5 lease; Chief Shobert has assigned Assistant Chief Boler and Battalion Chief Wills that task.

Mr. Harr asked about the format of the Fire Board meeting for accepting questions from the public. Mrs. Maxwell said, currently, the way public comment is structured is for citizens to sign a card requesting to address the Board either at the beginning of the meeting, or during the specific agenda item in which they are interested; they then have up to three minutes; however, there is no “back and forth” in answering specific questions, although questions can be addressed in a subsequent agenda. Chief Shobert stated if the citizens want a different type of forum, they could hold a special Board work session in a more informal manner. Attorney Whittington said a Board agenda could be structured broadly enough to entertain questions from the public, if the questions pertained to agenda items per the limitations in state statutes.

Chief Shobert stated SFD already published the June 27th meeting notice in the *Red Rock News* and the Village newspaper with a start time of 3:00 PM, and so, staff has decided not to change it to an evening meeting; Mr. Harr said he felt that was not a good move, as there are business people interested in attending the meeting. Mrs. Maxwell pointed out Fire Board meetings were held in the evenings for 20 years, and even then, they never had good public attendance. Ms. Fisher commented during her time on the Big Park Regional Council, they tried to accommodate the public by holding the meetings at various times, and never could please everyone. Chief Shobert said since Mrs. Maxwell will be out of town on June 27th, he thinks a more loosely structured special workshop should be held when all five Board members can attend. Fire Inspector Johnson suggested waiting to see what kind of public participation is at the June 27th meeting, and then, consider scheduling a few public meetings in various areas of the district. It was decided to present the recommendations at the Regular Board meeting on June 27th, and then, if it seems helpful, to present it again in the evening in the Village of Oak Creek. Ms. Fisher said she felt that was a good starting point, and showed SFD did care about the public.

VII. ADJOURNMENT.

The meeting adjourned at 8:10 PM.

Tricia Greer, Recorder to the Fire Board

**SFD – CITIZENS STRATEGIC PLANNING TASK FORCE
PUBLIC MEETING
Station #1 – 2860 Southwest Drive – West Sedona
Thursday, June 14, 2007 / 6:00 PM**

MINUTES

I. CALL TO ORDER/ROLL CALL.

Present:

SFD Citizens – Jennifer Wesselhoff, Don Harr, Bill Minard, Carolyn Fisher, Jim Evans, Gary Karademos, Bill Minard, Charlie Christensen, Craig Dible (as Observer)

SFD Employees – Fire Inspector Gary Johnson, Fire Chief Matt Shobert, Assistant Chief Terry Keller, Battalion Chief Dan Wills, HR Manager Kristina Emmons, Finance Manager Sandi Schmidt, Capt. Buzz Lechowski and Crew, Management Asst. Tricia Greer (Recorder)

SFD Fire Board – Board Attorney Bill Whittington

Sedona-Red Rock News – Trista Steers, Reporter; Mal Cooper, Photographer

Absent: Lonnie Lillie, Judd White

Chief Shobert called the meeting to order at 6:03 PM.

II. APPROVAL OF JUNE 7, 2007, TASK FORCE MINUTES.

Chief Shobert entertained a motion to approve the 6/7/07 minutes; Ms. Fisher so moved, Mr. Harr seconded, and the motion unanimously passed.

III. UPDATED CAPITAL IMPROVEMENT CHART.

IV. SFD STRATEGIC TASK FORCE BOARD PRESENTATION.

Mr. Harr said after the first couple of meetings, it became clear it was important to look into how everything in the district was put together and how money was spent. He said the District was very open with the records, and he had several people working with him to “unscramble” the information; they actually looked back seven years when SFD was still a volunteer and paid department. In looking back, during years when assessed values went high, large amounts of money were available to SFD, and with the potential of bonds for the school district and City, and with the decision to not pursue bonding, the committee then discussed funding internally.

Mr. Harr said he asked Chief Shobert what departments or districts did SFD use for comparisons, and he was given a list of fire districts with AV over 100 million; he said Sedona is approaching \$600 million. He got a wage and benefit survey from another Fire Chief for departments serving between 30,000 to 70,000 population, which Sedona did not make. Mr. Harr clarified that SFD’s survey was initially done to compare wages and benefits; Chief Shobert said his understanding is that was precisely why it was done, and that medium-to-large fire districts and departments throughout the State are competing for the same workforce of employees. Mr. Harr said he personally visited with the Fire Chiefs, Deputy Chiefs, and Administrative Managers of the departments listed on the comparison sheet to make sure it is accurate. He said it was an

incredible experience, and although he has done this sort of thing all over the world in his business, he has never met a professional group that was as enthusiastic, sincere, and easily accessible as the fire service. He also met with fire departments from the two largest cities in Northern Arizona – Flagstaff and Prescott. After all these meetings, he believes there should be no reason that anyone in any district or department wouldn't want to look at better ways to use money. He found that city departments are different than districts in how they are funded and how the decisions are made to spend money. The City Manager is the key because the fire staff reports to him and he reports to the City Council. Mr. Harr then distributed his comparisons between SFD and the districts he was given to use as comparisons (including Northwest Fire District, which Mr. Harr stated should not be included).

Mr. Harr said at the Public Budget Hearing on June 27th, he believes some members of the public will be present. He said he understood that for years at the budget meetings, public attendance has been very low, and so, implicitly, the district has assumed that they must be doing okay. However, now with AV going up, and letters to the editor in the newspaper, he felt a more in-depth review was necessary. Many of the chiefs talked to him about 9-1-1 and dispatch; Mr. Harr said SFD has a fantastic system; he asked each of the other agencies if they had a dispatch center; he found those agencies that receive dispatching through police departments were not very happy with the services received. Central Yavapai shares regional dispatching facilities with fire and police and cross-train, which is unique.

Mr. Harr also asked about ambulance service. He commented to change ambulance service is a monumental task because the State decides, and it could be a very lengthy project. He also compared the number of employees, although he said it was not part of the committee's discussion to review numbers of personnel. Mr. Harr then moved to the budget column, and commented the majority are for Fiscal Year 2007/2008, but noted that Golder Ranch is from last year; he said that Golder Ranch will hit close to \$600 million in AV this coming year, and Northwest Fire District will hit \$1 billion in home value. He asked the agencies about their reserves, and noted for the fire departments of Flagstaff and Prescott, what is not spent goes back into the cities' account. He also said when looking at Flagstaff and Prescott, their annual operating budget is listed and what is not included is the shared "pool" for finance and other services, so if those amounts were included (as SFD's), then their figures would probably be another \$3 to \$3.5 million to staff those functions that come from the city pool. Even noting that, Mr. Harr commented they would still be below Sedona.

Mr. Harr commented that Northwest still has some volunteers, but do not have reserves; Chief Shobert said he believes that has to do with their Community Assistance Program and includes clinical psychologists that respond to the emotional needs of the community. The square miles and population of the districts are also listed. Mr. Harr commented this document can be shared with any member of the public because it is accurate. He stated the public will be interested in the mil levy rate and the per capita rate if you take the population of Sedona as 20,000 (although he commented that does not include the tourists, which do not pay taxes). But, SFD must have the availability to provide emergency services to them; Chief Shobert said, as discussed, approximately 40% of our calls for service are from non-residents. Mr. Harr commented looking at the per capita rate could generate questions from the residents of Sedona asking if the mil levy could be lowered; however, Mr. Harr said he did not personally agree with lowering the mil levy, and that he would make that comment at the Budget Hearing; he further said lowering the mil levy is a "short term" fix to make people happy for a year or two. He believes the committee consensus is for SFD to take the "windfall" taxes and put the money in a reserve account to

finance the list of capital improvements, and to not consider bonding at this time, although some short-term borrowing might be necessary periodically along the way.

Mr. Harr then distributed a district/department comparison chart of call volume including fire, EMS, and other. He stated no comment needs to be made regarding this sheet as it is self-explanatory.

Ms. Fisher asked at the bottom of the call volume chart where it says EMS/Other, for the districts that do not provide their own ambulance service, she asked what those numbers represented; Mr. Harr said one of the fire chiefs from a department said about 50% of ambulance service in Arizona is contracted out through private ambulance companies, and to be careful about considering that because as they are in the business to make money, some service could be sacrificed for profit. The fire chiefs said when an EMS call goes out, a fire department medic goes along with the private ambulance company to control it, so the numbers represent fire department personnel riding along on every EMS call. Chief Shobert said even if you have private sector ambulance companies transporting patients, a fire engine will also respond. Mr. Harr commented he is not sure which way is better; Chief Shobert said from SFD's perspective, ambulance service billing is more about cost-recovery than profit, and an added advantage of providing fire-based EMS is the revenue goes right back into services. Mr. Harr said he asked the departments with private ambulance contracts if they had their choice which would they prefer, and they all responded they would like to run their own because they would have better control of services.

Mr. Harr stated he felt a comment Mr. White made during the last meeting was not right, by comparing SFD to the "mediocrity" of other agencies. A lengthy discussion ensued, but as Mr. Harr felt it was not pertinent to the outcome of the meeting, that no further explanation was necessary for the Minutes.

Chief Shobert commented this committee has been in process for about three months, and it has been challenging at times; he thanked the group for their participation and their hard work. Mr. Harr said the district asked the committee for community input and they provided it. He also said one of the "keys" per the Chief was coverage issues and the four-minute response; he said he talked to other agencies about that, and the ideal is a four minute response time; Chief Shobert said he quoted early on that four minutes was his goal, and it is, but SFD is no where close to that yet, with an average response time of about 6 minutes and 30 seconds; Mr. Harr commented the city departments stated responding in their area is faster because of less square miles, but they did agree that four minutes is the target time. Mr. Minard commented he spoke to a community member that recently experienced a fall in the Chapel area, and when asked what the response time was, it was about 10 minutes; Mr. Minard felt that was interesting as it tied in with the committee's discussions about the need for a station in the Chapel area. Chief Shobert commented that if a heart isn't beating or a house is on fire, ten minutes is a long time to wait.

Chief Shobert said after last week's meeting, he believes the group is close to consensus on the recommendation to the Fire Board on the prioritization of capital projects; he distributed a chart with the list banded into priorities. The Chief commented after an e-mail discussion with Mr. Harr this week, they decided to leave off the cost estimates (except for the number one priority) for presentation to the Board and to the public because inflation and time frames are in constant change. Chief Shobert explained the blue band stands for "ASAP" projects for one to five years. He commented that for the Oak Creek Canyon fire station, he is hopeful it will be possible to

come up with a partnership to solidify the land deal; Ms. Fisher agreed it made a lot of sense and we ought to be able to work a “win/win” solution. She also said the timing for partnership discussion is good as the community “dodged a huge bullet” during the Brins Fire last summer. Mr. Harr agreed that Oak Creek Canyon is a revenue-driver for the entire State from tourism.

Chief Shobert then entertained a motion to accept the revised Capital Improvement Program chart as the SFD Citizens Strategic Planning Task Force recommendation to the SFD Governing Board; Mr. Harr so moved, Ms. Fisher seconded, and the motion unanimously passed.

Chief Shobert said as the committee has discussed over the past several months, the Sedona Fire District presents some operational challenges that many other agencies do not have, such as roadway infrastructure to the four or five “pockets” of communities within the district that require service. In doing some research, he found that Park City Fire District in Utah is faced with many of the same challenges as SFD; their resident population is about 8,000 within the city limits and their fire district serves a population of about 32,000. Their service area is 110 square miles to SFD’s 168; employee numbers are almost identical; annual tourism is very similar and the operating budgets are close; incident response is almost identical; and both agencies staff their own ambulance service. He noted, however, that Park City gets their dispatching services from the county at no cost.

Chief Shobert commented on Mr. Harr’s comparison chart that the districts/departments that have their own ambulance company, essentially, must have firefighters for ambulances and firefighters for the fire engines, which tends to push up the number of employees. He felt the extreme tourism that Sedona experiences needed to be compared to another district with the same challenges. Chief Shobert believes SFD is an anomaly and he is very proud of the high level of services that SFD provides our community.

Chief Shobert also said in his research, he had not come across very many creative ways to get tourists to offset emergency services’ costs, although a bed tax was mentioned; Mrs. Wesselhoff from the Chamber of Commerce expressed concern about any additional bed taxes. Chief Shobert said none of the Sedona bed tax comes to SFD. Mrs. Wesselhoff said 3% of the sales tax and 3% of the bed tax on every hotel room in Sedona goes to the City and it pays for 70% of services. Ms. Fisher pointed out that is just for the City of Sedona and the fire district covers unincorporated areas as well. Chief Shobert said that is one of the many things he has learned in this process – that the Village of Oak Creek is unique and SFD is looking at ways to treat our district as a whole, such as advertising in the Villager newspaper.

Mr. Minard asked besides making a presentation to the Fire Board, did Chief Shobert plan to put anything out to the community as a result of this Citizen Committee. Chief Shobert asked if an article in the Red Rock News and the Villager might be a possibility; Reporter Trista Steers stated she intends to include an article in next Wednesday’s Red Rock News about this committee. Fire Inspector Johnson said one thing that has come from this process has been the realization of needing more communication with the community and using the limited means available to improve communication with the public. Mr. Minard said something needs to go out to the general population after the Fire Board has heard the recommendation, and then, what the Fire Board’s decision is regarding the list.

Chief Shobert said the presentation would be a synopsis of what the committee has gone through during the last three months, and also handouts would be provided. Ms. Fisher said she feels the presentation should be the simple list of priorities, but she recommended not showing the list of district/department comparisons at the Board meeting; Mr. Harr said they did not have to share that information at the Board meeting, although he does want to be communicative and open; Ms. Fisher said if the community wants more information, they could come to committee members.

Chief Shobert then asked for comments from various staff members. Mr. Johnson said in listening to the group discussion, he believes that after the Budget Hearing, a synopsis of the key components could be disseminated through the Red Rock News, the Villager, and other avenues.

Chief Keller said his only thought in looking at the blue band of priorities is the Oak Creek Canyon station may take longer than one or two years to acquire land, as there are a lot of politics involved; so, that station could be changed on the list of priorities. Ms. Fisher commented there may be reasons that some of the projects do not get finalized in the order presented on the list.

Chief Wills stated this has been a great process, and everybody learned something along the way; he also commented there is an impression that visitors end up receiving service on the backs of tax payers, but visitors indirectly contribute to property taxes through what the hospitality and tourist-based businesses pay for their facilities and commercial properties are assessed at higher rates than residences.

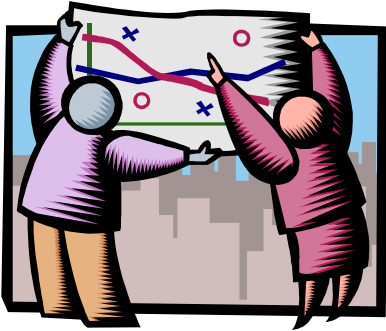
HR Manager Emmons said she is honored to be part of this organization and many of SFD's employees are part of the commuting workforce of Sedona, and even though they are not residents, they embrace the Sedona area and take pride in helping its residents.

Mr. Harr and Chief Shobert will give a presentation at the June 27th Fire Board meeting including the findings of this committee, and what prompted Chief Shobert to form it. Chief Shobert encouraged all to attend the meeting. Mr. Christensen asked if there was any possibility of changing the meeting time to the evening on the 27th; Chief Shobert responded "no" because, as discussed at the last meeting, it has already been publicized in local newspapers, and SFD has been falsely accused of switching meetings around; he commented the group discussed doing additional presentations to community members, if necessary.

V. ADJOURNMENT.

The meeting adjourned at 7:15 PM.

Tricia Greer, Recorder to the Fire Board

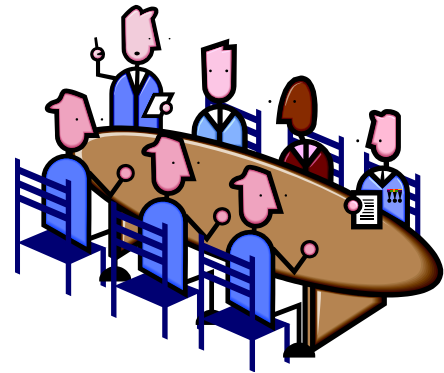


Sedona Fire District – Citizen’s Strategic Planning Task Force

Don Harr & Matt Shobert,
Committee Co-Chairs

Citizen Members:

- **Charles Christensen**
- **Jim Evans**
- **Carolyn Fisher**
- **Don Harr**
- **Gary Karademos**
- **Lonnie Lillie**
- **Dr. Bill Minard**
- **Jennifer Wesselhoff**
- **Judd White**



Why Are We Here?

- Capital Needs
- Assessed Valuation
- Funding Options
- What We Know...



Task Force Charter

Roles and Goals:

- **Provide Taxpayer/Citizen Input to SFD Strategic and Capital Improvement Plan**
- **Establish a 5-Year Capital Prioritization List**
- **Provide Capital Funding Recommendations to the SFD Governing Board**

Lessons Learned...



SFD must better educate our Community regarding:

- **Service Offerings** – *Comprehensive*
- **Challenges** – *Complicated*
 - Extreme Tourism and Fire District Funding
 - Unique Geographic and Geological Area
 - Roadways
 - Older Population
 - Wildland Fires/Urban Interface Protection
 - Flooding
 - “Pocket” Communities: Low Density/High Service Demands
 - Response Time Concerns/Lengthy Transport Times/Commute to Hospitals
 - Staffing Requirements/Issues
- **Business practices**
- **Opportunities for Cost-Sharing and Savings**

Lessons Learned - Continued

- **Critical Partnerships for Enhanced Efficiency**
- **Better Communicate SFD's Planning Methodology and Risk Management Strategy**
- **Understand Community Uniqueness and Autonomy:**
 - West Sedona
 - Uptown
 - Village of Oak Creek and Pine Valley
 - Red Rock Loop Area
 - Chapel Area
 - Oak Creek Canyon
 - Seven Canyons/Enchantment

Lessons Learned - Continued

- Better Community Education, i.e....
 - Recent SFD Ladder Truck Purchase...
 - Not Just for Tall Buildings...
 - Issues are Firefighter Safety, Reach, and Building Mass
 - Rescue and Medical Applications
 - Fundamental Equipment – Not Exorbitant
 - Ladder Survey of Districts/Departments...

*SFD's New 100' Ladder,
Replaces 23-year-old 75'*

Department/District	Ladder Size
Sedona	100' (Ordered)
Central Yavapai	104'
Bullhead City	95'
Daisy Mountain	114' (Ordered)
Flagstaff	100'
Golder Ranch	100'
Northwest	105' (Two)
Prescott	75' (Two)

Sedona Fire District

Capital Improvement Program

Priority List

As Recommended by the SFD Citizens Strategic Planning Task Force
June 14, 2007

2007-2017											
PROJECT DESCRIPTION	PRIORITY		SCHEDULE		BUDGETED COSTS						
	INITIAL	REVISED	START	FINISH	LAND	ARCHITECT ¹	CONSTRUCTION ¹	EQUIPMENT	STAFFING	TOTAL	FUNDING
CHAPEL AREA STATION	1	1	1/1/2008		\$640,000 ²	7%-10% of const.	\$2,500,000	\$300,000	2 new - \$120,000	\$3,870,000	Capital Reserves
OAK CREEK CANYON STATION	5	2									
COMMUNICATIONS CENTER	2	3									
NEW STATION #4 (UPTOWN)	3	4									
FLEET MAINTENANCE /REPAIR FACILITY	8	5									
STATION #1 REFURBISHMENT	4	6									
STATION #8 REFURBISHMENT	6	7									
RED ROCK LOOP AREA STATION	7	8									
AIRPORT STATION	9	9									
¹ Estimates Only. ² Purchased using Capital Reserves.											
Color Codes: Blue = Phase 1; Yellow = Phase 2; Pink = Phase 3											

Comparing Arizona Fire Districts/Departments is Difficult...

- Size
- Population Density
- Services Provided
- Quality of Services
- Threat Analysis
- Operating Costs
- Unique Characteristics
- Per Capita Analysis is Over-Simplistic and Subjective:
 - Buckeye - \$1,059
 - Highlands - \$823
 - Blue Ridge - \$1,007
 - Bowie - \$822
 - Golder Ranch - \$675
- Numerous others...

8 Surveyed Departments/Districts

- 4 of 8 have bonded; SFD is funding capital infrastructure needs through the “pay as you go” philosophy
- 2 of 8 are municipalities ~ “apples and oranges” ~ capital projects, mechanics, administrative personnel are in the city’s budget, not the municipal fire department’s
- Service Levels ~ Not Considered?
 - Ambulance service – private ambulance budget and personnel should be included in analysis
 - Dispatching – the equivalent of eight SFD employees are funded by partnering agencies (Dispatch - 6 and Telecommunications -2)
- Response Challenges ~ Stand-alone fire district, 168 square miles, poor roadways, geographic limitations, high hazard/high risk, etc.

SFD's Quality/Level of Service

- ISO
- Emergency Medical Service – AED, RSI, 12 Lead EKG, AMLS, etc.
 - 1/3 of Sedona is 65+
- Public Education, Engineering, Enforcement, Response, Mitigation, and Recovery
- Fire Loss Statistics 2007:
 - January 1, 2007 through today, the **total** fire loss in the Sedona Fire District is: **\$113,700!**
 - The average cost of a home in Sedona is **\$500,000.**
 - This should be celebrated; not scrutinized.

District/Department “Statistical Analysis”

- Of SFD’s FY 2007/2008 \$14,250,000 Budget Figure...
 - \$1,000,000+/- is non-tax Ambulance revenue
 - \$1,000,000+ is earmarked as Capital Savings
 - \$400,000+/- is non-tax Communications Revenue
 - \$395,000+/- FDAT
 - \$50,000+/- is non-tax Wildland Revenue
 - Last year \$300,000+
 - Other... grants, donations, fees, etc.

Actual Fire District Tax Revenue

\$11,910,885 ~ not \$14,250,000

- Coconino \$3,102,989
- Yavapai \$8,807,896

Sedona Population:

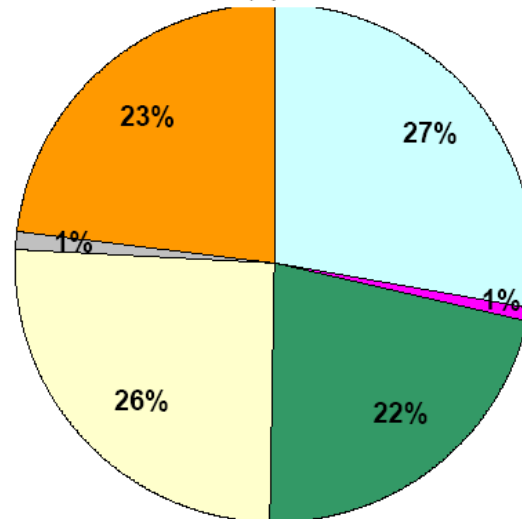
- What are the actual numbers? 16,000, 20,000, 25,000, or more?
- Visitors
- Commuting Workforce

Tax Data Breakdown

CITY OF SEDONA AND VILLAGE OF OAK CREEK

2006 PROPERTY TAX RESPONSIBILITY

\$200,000 valued home pays \$ 1,525 distributed below:



The Board of Supervisors only sets the levy for Yavapai County Government.

(928) is the area code for all phone numbers (excluding State entities.)


- Sedona School District. - Kim Randall: 204-6800
- Valley Academy Education Dist. - Marv Lamer: 634-7131
- Yavapai College - Bob Lynch: 776-2116
- Yavapai County Government - Jim Holst: 771-3201
- State Aid to Fire - St. Legislature: 800-352-8404
- Sedona Fire District- Matt Shobert: 282-6800

Includes Tax Area Codes: 0970,0971,0972,0975,0976

Per Capita Costs...

DUPLICATE TAX BILL

2006 PROPERTY TAX NOTICE							YAVAPAI COUNTY			ARIZONA	
BOOK	PAGE	PURSE	AREA	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IRRIGATION DISTRICT	2006 TAX SUMMARY				
408-05-120	5		00976	4.9931	3.2812		PRIMARY PROPERTY TAX				1,180.69
ASSESSMENT							LESS STATE AID TO EDUCATION				153.65
PRIMARY LAND BLDGS ETC	VALUE IN DOLLARS	AREAS	AREAS	AREAS	EXEMPTION	TAX RATE	AD VALOREM TAX				1,027.04
236,452	10.0				0	4.9931	1,180.69				995.78
PRIMARY PERSONAL PROPERTY	0	0			0	.0000	00				.00
SECONDARY LAND	236,452				0	3.2812	775.00				995.78
SECONDARY PERSONAL PROPERTY	0	0			0	.0000	00				.00
SECONDARY DISTRICT TAX	0	0			0	.0000	00				.00
SPECIAL DISTRICT TAX	0	0			0	.0000	00				.00
SPECIAL DISTRICT TAX	0	0			0	.0000	00				.00
SPECIAL DISTRICT TAX	0	0			0	.0000	00				.00
SPECIAL DISTRICT TAX	0	0			0	.0000	00				.00
SPECIAL DISTRICT TAX	0	0			0	.0000	00				.00
TOTAL TAX DUE FOR 2006										2,022.82	
0136832							JURISDICTION		2006 TAXES	2005 TAXES	
15 JOHNNY GUITAR CIR, SEDONA							07000	UD #0 SEDONA OAK CREEK	533.54	515.57	
SEDONA WEST LOT 121							11208	SEDONA P.D.	531.09	475.77	
							08150	YAVAPAI COMMUNITY COLLEGE	457.07	300.11	
							02000	YAVAPAI COUNTY	351.40	354.18	
							15001	YAVAPAI FLOOD CONTROL DISTRICT	60.18	53.04	
							14000	YAVAPAI CTY. LIBRARY DISTRICT	30.00	20.52	
							11000	FIRE DIST. ASSIST. FUND	27.10	26.21	
							07063	MIN SCH TAX DIST #0	25.25	24.50	
							30000	VALLEY ACADEMY EDUCATION DIST (VT)	15.17	16.45	
							02001	SCHOOL EQUALIZATION	.00	03.31	
							10010	SD#0 BI-CO TAX REPAYMENT	.00	4.08	
							TOTALS		2,022.82	1,003.04	
Treas. D. Jacobs, Yavapai County Treasurer Yavapai County Treasurer's Office 1015 Fair Street Prescott, AZ 86305							<p>THIS IS A CALENDAR YEAR TAX NOTICE</p> <p>PAYMENT INSTRUCTIONS</p> <p>To pay the 1st half installment, send this coupon to us with your personal premarked note later than Nov. 1, 2006. To pay the 2nd half installment, send the coupon to us with your personal premarked note later than Mar. 1, 2007. To pay taxes for the full year, send the coupon to us with your payment journal no later than Dec. 31, 2006. Delinquent interest will be waived.</p> <p>Make your check payable to and mail to: Ross D. Jacobs, Yavapai County Treasurer Yavapai County Treasurer's Office 1015 Fair Street Prescott, AZ 86305</p>				
<p>SHOBERT MATTHEW J & TAMI S JT 15 JOHNNY GUITAR CIR SEDONA AZ 86336</p>											
<p>TITLE: M. J. A. AND T. S. JT PARCEL NUMBER: 0136832 OWNER: SHOBERT, M. J. AND TAMI S JT</p>							<p>TITLE: M. J. A. AND T. S. JT PARCEL NUMBER: 0136832 OWNER: SHOBERT, M. J. AND TAMI S JT</p>				

2006 TAX PAYMENT COUPON		JULY 2006 - OCTOBER 2006		Payment in FULL ONLY	
SHOBERT MATTHEW J & TAMI S JT 408-05-120 5		JULY 2006 - OCTOBER 2006		Make check payable to: Ross D. Jacobs, Yavapai County Treasurer	
Delinquency Date First Half Payment Penalty for late payment is 1% per year on the amount due as of the 1st day of the month for payments not received after 5:00 P.M., November 1, 2006 (ARS 42-1802 and 42-1803).		TO PAY 1ST HALF ONLY (DUE OCT 1, 2006)		PAY ▶	1,011.41
Delinquency Date Second Half Payment Penalty for late payment is 1% per year on the amount due as of the 1st day of the month for payments not received after 5:00 P.M., May 1, 2007 (ARS 42-1802 and 42-1803).		TO PAY 2ND HALF ONLY (DUE MAR 1, 2007)		PAY ▶	1,011.41
Any late payment fee of \$100 or more is due October 1, 2006.		TO PAY FULL YEAR TAX (IF PAID BY DEC 31, 2006)		PAY ▶	2,022.82
To pay taxes for the full year, send this coupon to us with payment premarked no later than Dec. 31, 2006. Delinquent interest will be waived.		Ross D. Jacobs, Yavapai County Treasurer Yavapai County Treasurer's Office 1015 Fair Street Prescott, AZ 86305		 4080512005	

Per Capita Estimates...

- Consider...
 - Commercial tax revenues are included in the “statistical analysis” as “per capita” expenses
 - Nearly 2,000 businesses in Sedona area, including world class resorts
 - Sedona Rouge Resort paid SFD **\$28,933.58** in fire district taxes in 2006

Sedona Rouge SFD Tax

DUPLICATE TAX BILL

2006 PROPERTY TAX NOTICE							YAVAPAI COUNTY			ARIZONA	
BOOK	PROPERTY MAP	PURSE	AREA (SQ FT)	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IRRIGATION DISTRICT RATE PER ACRE	2006 TAX SUMMARY				
408-24-070D-4			00976	4.9931	3.2812		PRIMARY PROPERTY TAX				78,275.30
ASSESSMENT							LESS STATE AID TO EDUCATION				.00
VALUE IN DOLLARS							NET PRIMARY PROPERTY TAX				78,275.30
ADDITIONAL VALUE							SECONDARY PROPERTY TAX				54,249.64
EXEMPTION							SPECIAL DISTRICT TAX				.00
TAX RATE							TOTAL TAX DUE FOR 2006				132,524.94
ADJUDICATED TAX											
TOTALS											
0139346											
220 W.S.R. 88A, SEDONA											
AN IRREG POLY-NM COR BEING APPROX 1/2 E & 1/2 S OF NW COR NW 1/4 S64 S64 S64 SEC 11 CONT APPROX 3.18AC SEC 11-17-06											
JURISDICTION							2006 TAXES	2005 TAXES			
07000 UD #0 SEDONA OAK CREEK							41,476.02	8,443.74			
11208 SEDONA P.D.							28,933.58	0,808.00			
08150 YAVAPAI COMMUNITY COLLEGE							25,175.04	4,970.63			
02000 YAVAPAI COUNTY							25,048.07	4,522.38			
15001 YAVAPAI FLOOD CONTROL DISTRICT							3,278.50	771.03			
07003 MIN SCH TAX DIST #0							2,710.01	554.00			
14000 YAVAPAI CTY. LIBRARY DISTRICT							1,056.42	422.54			
11600 FIRE DIST. ASSIST. FUND							1,479.74	373.07			
30000 VALLEY ACADEMY EDUCATION DIST (VIT)							626.07	233.30			
10010 SD#0 BI-CO TAX REPAYMENT							.00	58.30			
02001 SCHOOL EQUALIZATION							.00	1,158.78			
TOTALS							132,524.94	28,330.68			
Ross D. Jacobs, Yavapai County Treasurer Yavapai County Treasurer's Office 1015 Fair Street Prescott, AZ 86305											
THIS IS A CALENDAR YEAR TAX NOTICE											
SEDONA ROUGE LLC 2250 W HWY 89A SEDONA AZ 86336											
PAYMENT INSTRUCTIONS											
To pay the 1st half installment, send the coupon to us with your personal checkmarked no later than Nov. 1, 2006. To pay the 2nd half installment, send the coupon to us with your personal checkmarked no later than Mar. 1, 2007. To pay taxes for the full year, send the coupon to us with your payment no later than Dec. 31, 2006. Delinquent interest will be waived.											
Make your check payable to and mail to: Ross D. Jacobs, Yavapai County Treasurer Yavapai County Treasurer's Office 1015 Fair Street Prescott, AZ 86305											
TAXPAYER'S NAME: SEDONA ROUGE LLC PARCEL NUMBER: 408-24-070D-4 OWNER'S CHECK											

2006 TAX PAYMENT COUPON

SEDONA ROUGE LLC
408-24-070D-4
Delinquency Date First Half Payment
Penalty for late payment is 1% per year (accrued monthly) as of the 1st day of the month for payments not marked after 5:00 P.M., November 1, 2006 (ARS 42-1826 and 42-1835).

Delinquency Date Second Half Payment
Penalty for late payment is 1% per year (accrued monthly) as of the 1st day of the month for payments not marked after 5:00 P.M., May 1, 2007 (ARS 42-1835 and 42-1836-1).

Any late payment in excess of \$100 or more over October 1, 2006.

To pay taxes for the full year, send this coupon to us with payment not marked no later than Dec. 31, 2006. Delinquent interest will be waived.

JULY 2006 JULY 2006

ROSS D. JACOBS, YAVAPAI COUNTY TREASURER
YAVAPAI COUNTY TREASURER'S OFFICE
1015 FAIR STREET
PRESCOTT, AZ 86305

Payment in U.S. FUNDS ONLY
Make check payable to:
Ross D. Jacobs, Yavapai County Treasurer

TO PAY 1ST HALF ONLY (DUE OCT 1, 2006)	PAY ▶	66,262.47
TO PAY 2ND HALF ONLY (DUE MAR 1, 2007)	PAY ▶	66,262.47
TO PAY FULL YEAR TAX (IF PAID BY DEC 31, 2006)	PAY ▶	132,524.94



Extreme Tourism

- 2,000,000 to 4,000,000 visitors per year...
- Roughly 35-40% of SFD responses are for visitors and the associated commuting workforce
- Visitors account for 64% or nearly 2/3's of SFD's Technical Rescue response ~ labor intensive and time consuming
- Sedona population essentially doubles each day...
- Funding:
 - City Bed Tax ~ \$1,500,000+
 - City Sales Tax ~ \$4,368,890 of which an estimated 67% is funded by visitors
 - Visitor-based SFD ambulance revenue ~ \$500,000+/-
- Visitor funding is coming to Sedona, but not directly to SFD ~ with the exception of ambulance revenue

*Fire Districts with
EXTREME TOURISM:*

Park City and Sedona...

A Comparison

Fire Districts with Extreme Tourism: PARK CITY AND SEDONA... A Comparison

- When fire district communities within the State of Arizona are considered, only Sedona is a world class tourism destination. This, along with the unique geological and geographical features of the Sedona area, highly complicates the delivery of emergency response. In seeking appropriate comparisons, it is necessary to look outside of the State; Park City Fire District in Utah faces very similar challenges to SFD.
- When expenditures incurred for visitors are compared to the revenues those visitors generate, the tourism industry has a positive impact on the Sedona Fire District. There is a common misconception that tourists are fully subsidized by resident tax payers; visitors contribute heavily to property tax revenues through the retail and hospitality industry, thus reducing local residents' tax burden, and increasing the quality of life for many local residents.

Criteria	Sedona Fire District	Park City Fire District
City Population	10,500	8,000
Fire District Population	23,000	32,000
Service Area	168 sq. miles	110 sq. miles
Fire District Employees	102	103
Annual Visitors	2-4 million	2-4 million
Operating	\$13,000,000*	\$12,345,000**
Incident Response	3,700+/-	3,700+/-
Ambulance Service	Yes	Yes

* *SFD maintains a Regional Communications Center dispatching for 11 agencies.*

** *Dispatching services are provided by the County at no cost to Park City FD.*