



~ Note: These Minutes were approved by the Board on 4/23/14. ~

Sedona Fire District

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SPECIAL BOARD MEETING

Station #1 – 2860 Southwest Drive – West Sedona – Multipurpose Room
Wednesday, March 5, 2014 / 5:00 PM

~ MINUTES ~

I. CALL TO ORDER/ROLL CALL

Board Present: Ty Montgomery – Chairman;

Nazih Hazime, Scott Jablow, Diane Schoen – Members

Board Absent: Corrie Cooperman – Clerk

Staff Present: Kris Kazian – Fire Chief; Scott Schwisow – Division Chief; Gary Johnson – Fire Marshal;
Sandi Schmidt – Finance Manager; Tricia Greer – Executive Assistant as Recorder

Others Present: 4 Citizens

Chairman Montgomery called the meeting to order at 5:02 PM. He then moved to go into Executive Session pursuant to ARS 38-431.03(A)(1) Personnel Matters; ARS 38-431.03(A)(3) Legal Advice; and ARS 38-431.03(A)(4) Instruction to Attorney relating to the Fire Chief's Annual Evaluation; Board Member Diane Schoen seconded and the motion unanimously passed.

II. EXECUTIVE SESSION

A. Vote to go into Executive Session relating to the following items pursuant to:

- 1. ARS 38-431.03(A)(1) Personnel Matters; ARS 38-431.03(A)(3) Legal Advice; and ARS 38-431.03(A)(4) Instruction to Attorney – Fire Chief's Annual Evaluation Process.**

III. RECONVENE INTO PUBLIC SESSION

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

Mr. Montgomery reconvened the public session at 6:15 PM, and led the Pledge of Allegiance.

B. Discussion/Possible Action: Follow-Up of Executive Session Item:

- 1. Fire Chief Annual Evaluation Process.**

Mr. Montgomery stated the Board had a very positive annual performance review with Chief Kazian; Chief Kazian's anniversary date with SFD is March 19th, but he does not believe his employment contract addresses that date specifically. Mr. Montgomery suggested as one Board member is away on vacation, to hold any discussion of compensation adjustment to the next meeting. *He then moved to defer discussion of the Fire Chief's compensation until the next Board meeting, which is scheduled for March 19th, at Station 3 in the Village of Oak Creek; Mrs. Schoen seconded, and the motion unanimously passed at 4 to 0.*

IV. SPECIAL BUSINESS MEETING

A. Public Forum

- 1. Public Comments.**

There were no requests from the public to speak.

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

There was no staff response.

B. Business

1. Discussion/Possible Action: Purchase Order #8389 to Pierce Manufacturing in the amount of \$418,193.95 for Saber PUC Demonstrator Unit #26181.

Chief Kazian reminded the Board of the fire truck which was damaged in an accident at Station 3 last May, when an individual drove into the apparatus bays. The truck sustained \$34,000 in damages and was declared surplus and sold for about \$6,600 on the public auction website. SFD currently has no reserve apparatus, and even before the accident, that particular truck was on its "last leg" and scheduled for replacement and allocated in the capital improvement plan for next fiscal year. He stated if the truck is replaced now, it will be available for wildland season to create revenue opportunities; additionally, with Station 6's eminent opening, the ladder truck, currently positioned at Station 1, will be moved to Station 6 and no longer available as a back-up unit, making this a much more timely need. Chief Kazian informed the Board that a new fire engine would cost around \$500,000, and staff is considering the purchase of a demonstration ("demo") engine. A committee of SFD personnel was assembled and solicited seven vendors for quotes regarding demo trucks; only two vendors met the requested specifications and seemed efficient and effective. The committee visited one of the vendors, Pierce, in Phoenix and looked at its manufacturing facility and inspected a demo unit; the other vendor under consideration is Rosenbauer, which flew out three committee members to California to visit its facility; the personnel discovered the unit they were shown was not the same as was being offered as a "demo", and was a newer upgrade model; this caused some concern for the committee.

Chief Kazian said staff is following SFD Policy in that an RFP process is not necessary to purchase used equipment, and a demo with mileage qualifies as such, to which Attorney Bill Whittington agreed. Purchasing a demo engine would meet our needs and save approximately \$50,000 over a new unit. One issue with this method is whichever agency comes with the first signed purchase order gets the truck, and Chief Kazian hopes the engine the committee chose at Pierce is still available on March 19th, when the Board will make its decision. Staff's recommendation to help lower the budget and mil rate is to purchase the Pierce engine; with Board consensus today, staff will begin working on the documents for approval at the March 19, 2014 meeting for financing a two year lease purchase for the unit with National Bank of Arizona at 1.2% financing (about \$2,600 on the purchase) and no prepay penalty; the other financial institute under consideration is OshKosh Capital, which is a parent company of Pierce, but their financing is at 2.1% on the two year term, and they do have a prepay penalty.

Chief Kazian stated the capital reserve fund is almost depleted, but if we straddle this purchase between this fiscal year and next, by making the down payment from this year's budget and finance the remainder in next fiscal year, we will be able to accomplish having a reserve engine with new safety features for wildland and restructuring Station 6. He said we will need to utilize some contingency, although it is hard to anticipate someone crashing into a fire station, and the Station 1 generator project also needed contingency funds to complete. In the Board's packets of information, staff included the \$400,000 line item with items deducted that were missed in Station 6, as well as the generator project, leaving an available balance of about \$187,000, possibly a little bit more. He said staff does not feel comfortable spending the entire contingency, so reviewed the budget and talked to the accounting firm that performs SFD's audits and found we could use the insurance money for the truck replacement, as well as the \$6,600 SFD received for selling the truck as surplus; several budgeted, but undone items in the budget will be allocated, and the Reserve program, since it is still in implementation, did not require as much money as budgeted; this will require \$105,000 from contingency to make a down payment; that leaves about \$80,000 plus. Chief Kazian said if the Board is not comfortable leaving \$80,000 to \$100,000 reserve balance, the district could use less from reserves and borrow more. Chief Kazian said staff's goal is to put down \$218,000, leaving a balance of \$200,000 for financing.

Chief Kazian said to go to RFP and design/build a truck would take about a year, and due to the length of the process, some truck companies are building "spec" models and selling them as demos, but per our policy, this falls into the requirements of purchasing a demo model with 8,000 to 10,000 miles and has all the same warranties of a new truck. The total cost is \$418,193.95.

Chief Kazian said although this item is listed as an action item today, staff is still working on the financing and paperwork to have it ready for the March 19th meeting; he requested a consensus from the Board regarding using contingency or whether to finance a higher amount; and if the Board wants to finance the purchase over two years or to have staff pay it off as proposed in Fiscal Year 2015. Mr. Hazime asked if we would be receiving the truck “as is”; Chief Kazian replied there would be some modifications specific to Sedona’s climate and protecting the hose bed, as well as upgrades to help for wildland; he said there would be an additional cost of about \$10,000 funded from contingency to get the truck ready for service. Mr. Jablow asked if the \$10,000 would have been needed for any truck purchased; Chief Kazian agreed and said SFD recycled as much equipment as possible from the crashed truck to save funds. He also again pointed out if SFD had purchased a new engine next year, the district would have spent an additional \$50,000. Mr. Montgomery asked the Chief if he is looking for consensus to move forward; Chief Kazian replied affirmatively and also to receive direction from the Board if they were uncomfortable with any aspect of what has been presented in the financing. Mr. Hazime said staff has done due diligence. Chief Kazian commented if this truck was still available in July and we waited to purchase, it would be a \$215,000 or more increase in the budget. Mr. Montgomery confirmed the Board’s consensus for staff to move forward, as presented.

V. ADJOURNMENT

The meeting adjourned at 6:36 PM.

Original signed by Ty Montgomery

Ty Montgomery, Chairman of the Board

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