



**SUMMIT FIRE & MEDICAL DISTRICT
GOVERNING BOARD
PUBLIC HEARING AND REGULAR BOARD MEETING
May 15, 2019
MINUTES**

Public Hearing FOR 2019/2020 BUDGET

1. **CALL TO ORDER**

Board Chairman Dorskocil called the Governing Board Public Hearing for 2019/2020 Budget to order on Wednesday, May 15, 2019, at 3:01 pm, at Station 37, 5500 N Fort Valley Road, Flagstaff, Arizona.

2. **ROLL CALL OF BOARD MEMBERS / AFFIRMATION OF QUORUM**

Members Present: Board Chairman Jim Dorskocil, Board Clerk Jim Timney, Board Member Mike Milich, Board Member Don Woods

Members Absent: Board Member Rick Parker

Administration: Deputy Chief Mark Wilson, Deputy Chief Pat Staskey, Administrative Officer Chris Gioia, Administrative Assistant Tammy Schieffer

Public: None

3. **PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA**

4. **PUBLIC HEARING - Proposed Fiscal Year 2019/2020 Budget, GO Bond Budget and GO Bond Repayment Budget**

a. **Overview of Proposed Fiscal Year 2019/2020 Budget**

Administrative Officer Gioia, and Deputy Chief Wilson presented to the board the Proposed Fiscal Year 2019/2020 Budget and answered any questions. (A copy of the proposed budget is included in the board packet in the attachments).

Board Member Woods questioned where we were on meeting our pension obligation?



Deputy Chief Wilson: We have a plan, and that is an agenda item we are going to talk about. Part of our responsibility is to adopt the plan that pays off the pension, which you will see in this process. With the current plan that we are in, we are in year 2, with 18 years left. It is a 20 year pay-off plan that we are working through. Eighteen years, we pay-off unfunded liability, so we meet all the obligation of the state and stay on track, and it is budgeted in your chief's pension report.

Board Member Woods: it is going to take 18 years to meet our unfunded obligation?

DC Wilson: Yes. That was the original plan. When the state came up with a plan they put together, it for all the departments, with the option of how they can pay and get us fully funded for the unfunded side. The plan that was approved by the labors and the state legislature and out to the district is exactly that, with a 20 year pay-off plan. In the meantime, we continue to pay into our funded liability portion to support the employees currently in retirement.

Board Member Woods: The Contingency of \$1.2M. What type of items are satisfied with the contingency?

Administrative Officer Gioia: The Contingency is what we use to get through May through October.

Board Member Woods: The Capital Fund?

DC Wilson: The Capital Funds are shown exactly as they are in there. We have \$450,000 in the apparatus capital fund. We just expended \$400,000 of that through the purchase of 2 new refurbished engines. When we get done selling of the unit we discussed at the last meeting, you will see where that final balance will be around \$20,000 left over to use for some additional needs for capital apparatus in this Fiscal Year. Next FY, we got in the Chief's Budget \$50,000 for both. We had a lot of discussion in the last meeting. It is totally dependent upon if we meet our wildland call-out expectations and other funding sources.

Board Member Woods: The theory behind the emergency 5%?

DC Wilson: That was a board direction. We wanted to have that money for you to be able to utilize, so we are trying to keep that to meet the goal of the board.

Board Member Woods: How does the line item 5000 Capital correspond to the Capital Fund? What is the difference? The next FY budget, the \$100,000. How does that relate to the capital fund?

DC Wilson: It is split between both. We have \$50,000 issued toward apparatus, and \$50,000 allocated towards the station. We did an exact split, and that is



where the \$100,000 is coming from. They are both Capital Funds. You have seed money in your current capital fund of \$450,000, approx. This is trying to build that by \$50,000 a year in the facility, and \$50,000 a year in capital apparatus, which we are now going to be down to \$20,000 after we have expended for the 2 refurbished trucks.

Board Member Woods: We are still at \$50,000 for the station fund, even though Jim asked that be raised to \$75,000?

Administrative Officer Gioia: That is a projected number. We will not know until February/March timeframe if we met our goals and if we have, we will bring back that number to the board and the board will direct us where to put those funds.

DC Wilson: We talked at the last meeting. That was a projection and if we do have more money, we will bring that to the board to discuss where that allocation goes.

Board Chairman Daskocil: That is why I did not push that topic anymore, because once those funds are available, we as a board can put it where we want.

b. Overview of Proposed Fiscal Year 2019/2020 GO Bond Budget

Administrative Officer Gioia presented to the board the Proposed Fiscal Year 2019/2020 GO Bond Budget. (A copy of the proposed budget is included in the board packet in the attachments)

c. Public Hearing/Comments: There were no public comments.

5. Discussion and possible Action on adopting the Fiscal Year 2019/2020 District Budget and Operational Plan for 20-day posting.

Deputy Chief Wilson and Administrative Officer Gioia answered any questions from the board regarding adopting the Fiscal Year 2019/2020 District Budget and Operations Plan for 20-day posting.

Board Member Milich motioned to adopt the Fiscal Year 2019/2020 District Budget and Operational Plan for 20-day posting. Board Clerk Timney seconded the motion

Vote Conducted. **MOTION CARRIED**

AYES: Daskocil, Timney, Milich, Woods
NAYES: None



6. Discussion and possible Action on adopting the Fiscal Year 2019/2020 GO Bond Budget for 20-day posting

Board Member Milich motioned to adopt the Fiscal Year 2019/2020 District GO Bond Budget for 20-day posting. Board Clerk Timney seconded the motion

Vote Conducted. **MOTION CARRIED**

AYES: Dorskocil, Timney, Parker, Milich, Woods

NAYES: None

7. **Adjourn Public Hearing**

Board Member Milich motioned to adjourn the Public Hearing. Board Clerk Timney seconded the motion.

Vote conducted. **MOTION CARRIED**

Public Hearing adjourned at 3:12 pm

Regular Board Meeting

1. **CALL TO ORDER REGULAR BOARD MEETING**

Board Chairman Jim Dorskocil called the Governing Board Regular Meeting to order on Wednesday, May 15, 2019, at 3:12 pm, at Station 37, 5500 N Fort Valley Road, Flagstaff, Arizona.

2. **ROLL CALL OF BOARD MEMBERS / AFFIRMATION OF QUORUM**

Members Present: Board Chairman Jim Dorskocil, Board Clerk Jim Timney, Board Member Mike Milich, Board Member Don Woods

Members Absent: Board Member Rick Parker

Administration: Deputy Chief Mark Wilson, Deputy Chief Pat Staskey, Administrative Officer Chris Gioia, Administrative Assistant Tammy Schieffer

Public:

3. **CALL TO THE PUBLIC** No response from public



4. **CONSENT AGENDA**

- a. Approval of Reconciliations and Financial Reports for April
- b. Discussion and Approval of the Regular Board Meeting Minutes of April 17, 2019 & May 8, 2019 Budget Workshop

Administrative Officer Gioia answered any questions from the Board regarding the Reconciliations and Financial Reports for April, 2019, Regular Board Meeting Minutes of April 17, 2019, and May 8, 2019 Budget Workshop

Board Clerk Timney motioned that the Reconciliations and Financial Report for April 2019, Regular Board Meeting Minutes of April 17, 2019, and May 8, 2019 Budget Workshop be approved. Board Chairman Daskocil seconded the motion.

Vote Conducted. **MOTION CARRIED**

AYES: Daskocil, Timney, Parker, Milich, Woods
NAYES: None

5. **Current Events Summaries, Reports, and/or Correspondence**

- a. Monthly Department Updates

Battalion Chief Torsten Palm reported to the board:

- New hire academy with 5 new employees from Summit with 10 new recruits total is going very well. From instructors there, they are a strong group
- there were 97 calls to service for the month of March
 - **Board Chairman Daskocil requested that the run report shows the runs that are ran in District 36, because of the discussion of station location.**
- Deputy Chief Wilson confirmed the board wants Out of District and District 36 runs from Station 37 be reported.
- On my shift there was a single vehicle roll over on Highway 89. 2 Engines and 1 Battalion chief responded, 1 Guardian Battalion Chief. The scene was handled excellent. Our guys were good at adapting. We scaled to the need.



b. Labor Updates

Firefighter Matt Gibbs:

- Busy with getting the MOU prepared. Chief Palm helped us a lot with policy reviews and firefighter job description.
- Thank you to Chris for everything she does
- Busy Month

c. Other Items

DC Wilson:

Update on Station 37. We have a shower downstairs that was leaking into the wall. We started noticing the baseboard and wall coming apart. It looked like possible mold. We went into our operating facilities budget and we approved to tear out that pan that was cracked and replace. When they pulled it out, they found several deficiencies. It was not properly installed in the beginning. There was no rubber underneath it, so there was nothing separating it from ground floor. The grade in the slope of the shower pan went back to the wall instead of to the drain. All of those combined created another issue. When we got in there and started opening, we were going in for a shower pan replacement. We wanted to replace the dry wall that was ruined. When we opened it up, we found significant black mold all through the wall. For the health and safety of our membership, and for the station, to make sure we get everything right, it is going through mold abatement process. We will get a clean bill of health for the employees that have been working out of that office. We also found termites came in. All of those are being taken care of right now. You will see multiple expenses that will come through up to about \$4000 to \$5000.

DC Wilson explained to the board the Grant income vs. expenses that was questioned at the meeting before. SAFER grant monies will be shown coming out of payroll, not regular/operations expenses.

6. **NEW BUSINESS / ACTION ITEMS - Public Comment:**

a. Review discuss and possible action on Adopting FY 2020 Pay Range

Administrative Officer Gioia presented to the board and answered any questions regarding the FY2020 Pay Range. This shows the market adjustment to firefighter position only. I added in what will be done later in the Fiscal Year; Medic, Acting BC, Acting Captain, and Acting Engineer pay. Later in the year we will be doing the equity adjustments. The only position changing for market standpoint is the firefighter position.



Board Clerk Timney motioned to adopt the FY 2020 Pay Range. Board Chairman Dorskocil seconded the motion.

Vote Conducted. **MOTION CARRIED**

AYES: Dorskocil, Timney, Milich, Woods

NAYES: None

- b. Review discuss and possible action Purchase Order 190154 for the services of creating SharePoint communication platform for SFMD staff

Administrative Officer Gioia introduced Collin Irwin to explain SharePoint communication platform for SFMD staff. It will increase communication with Flagstaff Fire Department. It could be thought of as a “website” to get information for various departments. Will be able to save media from any device on there at any time.

DC Wilson: We will be putting Greater Flagstaff Region policies on there as it is built.

There was further discussion between Collin and the board.

Administrative Officer Gioia stated we have the budget in training.

Board Clerk Timney motioned to approve Purchase Order 190154 for the service of creating SharePoint communication platform for SFMD Staff. Board Member Milich seconded the motion.

Vote Conducted. **MOTION CARRIED**

AYES: Dorskocil, Timney, Milich, Woods

NAYES: None

- c. Review discuss and possible action on Purchase Order 190153 for the purchase of Hose for new Engines

XO Captain Deck presented to the board this PO is to purchase fire hose for the 2 apparatus we just purchased to meet NFPA Standards. The last time hose has been purchased was 1993.

Board Clerk Timney motioned to approve Purchase Order 190153 for the purchase of Hose for new Engines in the amount of \$5852.40. Board Member Milich seconded the motion.

Vote Conducted. **MOTION CARRIED**



AYES: Dorskocil, Timney, Milich, Woods
NAYES: None

- d. Review, discuss and possible action on Purchase Order 190159 for purchasing a Tahoe

XO Captain Deck presented to the board: Currently the Battalion Chief's do not have a back up vehicle. If we get called out now for a wildland assignment for Line Medics with the UTV, we would not be able to go, because we do not have a vehicle to pull the UTV. We sold the truck that we were using in surplus. The state contract bid is pricing \$31,000 to \$36,000. It would allow us to have an alike apparatus with our partners in the city. They can move in this Tahoe and be able to have another city BC get in our Tahoe, and it all be alike. The current BC vehicle will become a staff vehicle and be available for the wildland assignments. The state contracting vendors will be Midway Chevrolet, O'Reilly, and another Phoenix dealer. Terryl Marxen could not meet the amount. This will go out for bid.

Board Member Milich motioned to approve Purchase Order 190159 for the purchase of a Tahoe. Board Chairman Dorskocil seconded the motion.

Vote Conducted. **MOTION CARRIED**

AYES: Dorskocil, Timney, Milich, Woods
NAYES: None

- e. Review, discuss and possible action on Purchase Order 190160 for purchase of used Expedition

Administrative Officer Gioia presented this is just the thought process. XO Captain Deck presented and answered questions from the board regarding a used Expedition. This was a used 2011 Expedition from NAU Surplus with 56,000 miles that had a blown motor for \$2000.00. It was sold. We are looking for staff vehicle and back up vehicle. We would be able to put a motor in it for about \$4000.00. We are trying to look at other alternatives to getting updated apparatus.

There was further discussion between the board and the **board directed administration that if another opportunity of this type comes up, the go ahead and purchase.**



- f. Review discuss and possible action on Policy 505 Public Safety Personnel Retirement System Pension Funding Policy

Administrative Officer Gioia presented to the board and answered any questions. PSPRS wants in policy in place stating that we will pay for our unfunded liability. We have to do this every year. We are on the 20 year plan of paying it off.

Board Chairman Daskocil motioned to approve Policy 505 - Public Safety Personnel Retirement System Pension Funding Policy. Board Member Milich seconded the motion.

Vote Conducted. **MOTION CARRIED**

AYES: Daskocil, Timney, Parker, Milich, Woods
NAYES: None

- g. Review and discuss proposed MOU between Labor and SFMD (no action at this time)

Administrative Officer Gioia presented and answered any questions from the board. Our attorney returned the MOU with adjustments in yellow. This is just informational only at this time. (a copy is included in the fire board packet)

- h. Topic of the Month with Chief Staskey

- Deputy Chief Staskey presented to the board we had a smoke detector outreach on April 27, 2019 in the Fernwood area. This was part of Sound the Alarm National Campaign. There was a total of nationally 1.6M detectors and 582 lives saved. In the Fernwood area 132 homes were reached with 29 smoke detectors being installed and 2 change of batteries.
- This was good community and district involvement
- There was partnerships with NAU Basketball team assisting us.
- September 2019 will focus on Lumberjack area
- Looking to January 2020 for the westside of the District.



i. Review and discuss Capital projects

Deputy Chief Wilson discussed with the board:

Apparatus Projects: Needs are coming up. We will address these in June.

Station Projects: A request the board had of meeting with an architectural company and firm to be able to work through the process of getting another design build concept that was at a more reliable cost for area. We have reached out to Dick Reese. He was part of Station 31, 36, 37, and the shop. The crews have stated for size, Station 31 is good size footprint with an add or delete option of a community room. Mr. Reese has agreed to put together a cost projection doing a new design based off the model of Station 31 with an estimated cost of that. He would be willing to do that schematic in the \$5000 and \$7500 range. This would not be wasted money. This would be the foundation of what we would go to down the road. Is this something the board is interested in pursuing? There was further discussion. There was not need for a site to get the cost estimate.

With this money we will be getting a new updated set of base plans that will show the floor plan, and an exterior schematic of the facility conceptual design associated with the breakdown cost. Very similar to what we got from Core. Board Member Woods stated the key is you have to spend a lot of time with the architect while he is doing his work. If you can't allocate that time, then we shouldn't do it, but if you can keep him and track as to what we want, then it will work well.

Board Clerk Timney: If we are using Station 31 as a model/base for this, that really simplifies that because that station is already built.

Deputy Chief Wilson: Mr. Reese wants the 2 of us to sit together to make sure everything is right. With board direction, I will get with Mr. Reese for an official quote and bring it back.

Deputy Chief Wilson: We had gotten direction from the board about the need of revamping of Station 37 to make it more livable and functional. We estimated it would be around \$50,000 to do the upgrades. We have quotes coming in. The funding will come out of the current capital. It will be investment if we sold the station. This will entail:

Installing a HVAC furnace and AC unit. This will fall in the \$20,000 to \$25,000.

Carpet removal in the top floor since it no longer meets cancer initiatives that is being promoted in fire stations. Installing vinyl flooring. We will leave carpet in the bedrooms for a resale value.

Board Member Woods: What is the justification for Air Conditioning?

Deputy Chief Wilson: When there are 2 story homes in Flagstaff, we get elevated temperatures in the 2nd level. If we put the air conditioning in conjunction with the HVAC, it is at the cheapest cost possible.



Board Member Woods: Justify air conditioning per say. Not how you are going to do it. Why do we need air conditioning?

Deputy Chief Wilson: Because the temperatures get to about 84 degrees upstairs here.

Board Member Woods: Open a window.

Deputy Chief Wilson: If we are looking at it for a resale point, and you look at it for the cheapest cost to do it at this time, I think it is a wise decision to put it in for market and resale. It is at a small cost compared to somebody coming down and doing it later.

Board Member Woods: I totally do not agree. Did you consider electric baseboard heat?

Deputy Chief Wilson: We considered a lot of heating options. The baseboard heat is a very expensive monthly fee associated with the house this size.

Board Member Woods: If you are spending \$50,000 putting HVAC in here, I think we need to consider other options.

Board Chairman Daskocil: That is not just for the HVAC.

Board Member Woods: You are putting vinyl flooring down. You think that is an attribute for resale?

DC Wilson: I do.

Board Member Woods: laughing. Is this linoleum? I haven't seen linoleum in years.

DC Wilson: It looks like simulated wood. It has 15 to 20-year life span. It is water and dust proof. It is going into a lot of new homes going in.

Board Chairman Daskocil: Flagstaff Medical Center uses all that everywhere.

Board Member Woods: I understand that, it is an industrial building. How long do we plan to hold this before we sell it? 20 to 30 years? What do we care it lasts a long time?

I think you better get somebody from the real estate industry to talk to us about they think they can sell this for and what improvements they would like to see.

Administrative Officer Gioia: We do have that information.

Board Member Woods: I am not sure Dianne is the right person to do that.

DC Wilson: I don't know how long the crew will be here. A lot of that is going to about what we find out and be dependent upon funding. What I did hear from the board last time was, let's make this a functional station, putting in equipment that will not hurt us from a resale standpoint. What we are proposing meets both of those needs. If the board has different direction, I am wide open to hear.

Board Member Woods: It is one thing with what you are proposing, and another thing for unilaterally for coming up for a different direction for you. I would like to see some analysis as to what the different options are and the different costs associated with those would be. Then we could better judge. You are giving us one option, and state, "If you don't like my option, then tell me what to do



differently". I can't tell you differently until I have all that information as to what the options are.

Board Chairman Daskocil: I feel, I am a contractor in the building industry. For going base board heat, it will cost you more than the HVAC to run all the wiring. For resale, it is right, it would tear up the resale value. People are not going to want an all-electric house. The HVAC is the most efficient way. Adding AC to a unit we have to do anyway is nothing.

Board Member Woods: Alright.

There was further discussion.

Board Member Milich: I am good with your plans. I don't have any other suggestions.

DC Wilson: I certainly am open. Mr. Woods, I hope you didn't hear me say this is the only option, deal with it or tell me to do something different. That is not what I was trying to do. I was trying to focus on what is the standard today to meet both the needs of the crew and resale. That is what I was trying to put together as a final product for you. Open to the board on where you want to go with this. Just need to get some direction, then I can finalize any means of official quotes if you want to go this direction. If you want me to deviate and look at other costs associated with it, I can do that, as well.

Board Member Woods: My fundamental concern is I got the impression that we think this is over \$1M property. I look and this place and this doesn't seem like some house, that somebody who could afford \$1M property is going to want to live in.

Administrative Officer Gioia: That is not what we had it appraised. It came back at \$800,000.

There was further discussion.

Board Member Woods: Addressing DC Wilson. So, what do you want?

DC Wilson: I want to get some direction from the board if we are proceeding down the right path, we will get hard bids. We come present those as we start making these decisions to do work.

The board directed DC Wilson is on the right path and to proceed.



7. FIRE BOARD COMMENTS

Board Clerk Timney: I have a question for Chris. Did you check with Brian, county attorney's office regarding his involvement or appropriate involvement with the land acquisition of Jean Libby.

Administrative Officer Gioia: I spoke with Jean Libby yesterday. I told her she needed to talk to her contractor like you asked her to, and then we will move forward. She has not done anything yet. I told her I needed to know the week before the board meeting, so I can put it on the agenda. I don't expect we are going to hear from her until July. To answer your question about Brian, he and Chief Gaillard are speaking, and I am not sure where they are at with that.

Board Member Woods: Happy to hear that June we are going to have some concepts as to how we can maintain the district in a sustainable fashion in future years. Right now, I don't think we are in a sustainable path forward. I think we are running into crisis. Waiting until the next annual budget to address it isn't the way to do it. We have to do some long-range planning. I also think we are not going to get there just on the income and revenue side. We are going to have to look at the expense side too. That doesn't mean we do away with something essential, but I think we have to do some serious thought about cutting some significant cost. We already had a precedent where we closed 36, and I see there is an opportunity that needs to be explored about closing 33 and seeing how the other 2 stations can cover that area. I imagine that would have some significant cost savings. I can't think of anything else of that magnitude. I think it is time we face up to the fact we can't continue to serve this district with the infrastructure we have. We just can't afford it. Even if we can raise additional funds, it is still not going to cover, and make us sustainable in the long run. I think we need to look at some serious cost savings as to how we operate and what we operate with. None of this has to be done right away. I am not asking that we sell and close station 33, but we need to investigate other options on the expense side, as well as trying to figure out how we are going to get more revenue.

8. ADJOURNMENT

Board Member Milich motioned to adjourn the meeting. Board Clerk Timney seconded the motion.

Vote conducted. **MOTION CARRIED**

Board meeting adjourned at 5:22 pm

Respectfully submitted

Tammy Schieffer, Administrative Assistant