

Regular Meeting of Pinetop Fire Board
Monday April 15, 2019
Pinetop Fire District Station 110
1845 S. Pine Lake Rd, Pinetop AZ 85935

I. Call the meeting to Order: Kurt Alcumbrac called the meeting to order at 5:05 pm

Roll Call of Board Members present Kurt Alcumbrac, Carla Bowen, and John Rowlinson by telephone. Doug Wright and Ed Cibbarelli were absent

II. Call to the Public: Charles Mead told the board about his experience at the Strategic Planning Meeting, he said "I feel there is a renewed vigor and excitement from the meetings, everyone got super motivated, this is great for the district"

III. Consent Agenda Board Business

The items on the consent agenda are considered routine and will be adopted in one motion unless a board member, staff, or member of the public in the audience requests, before the vote on the motion, to have the item considered separately. If any item is removed from the Consent Agenda, the Board Chairman will indicate when it will be discussed in the regular agenda.

1. Approval of Minutes of Board Meeting held on March 18, 2019
2. Approval of Warrants paid in March 2019

Carla Bowen made the motion to approve the consent agenda as presented, seconded by John Rowlinson, motion carried 3-0

IV. Board Business

1. Discussion/Consideration/Possible Action re: Presentation of December Financial Reports

Melissa Tomlinson from the James Vincent Group gave the financial presentation. All financial reports were included in Packet. Some Highlights are that the District is still doing very well heading into the next budget season.

Total Revenue this month is still under budget coming from our non-tax revenue. Tax revenue was slightly under budget, both were most likely due to timing of grant revenue income. Total expenses are also under for the month, these go hand in hand with the grants and timing.

The majority of Expenses are trending under budget for the month; personnel, professional expenses, grants, managerial, buildings and Vehicles & maintenance. Slightly over budget for the month was Communications & I.T and Travel/training.

Fiscal year to date our total revenue is slightly over budget, driven mostly by our non-tax revenue. Non-tax revenue is still slightly over budget which is wildland driven. Total Expenses for the year are over, mostly due to personnel and grant timing. Personnel is due to Wildland wage expenses.

Buildings and Land are trending under for the year. Vehicles and Equipment are over budget due to some costly repairs and maintenance to date along with annual testing. Communications and I.T. are a little over budget still being those startup costs for the new software and computers for EMS, this is already starting to level out now. Travel and training are just under for the year, but you saw them go up for the month. Managerial is under also along with professional costs for the year.

The functional breakdown is Personnel 68%, Operations 28%, and Managerial is at 4%. This is a slight variance from the last meeting due to timing of the grant expenses. Removing grant

expenses would put Personnel at 82% which is our normal and the normal percentage for other districts our size.

Cash position for the year is on a steady upturn. Revenue is ahead from our wildland season as well as other assets due to the money in escrow we have yet to use.

Liabilities for the year are higher but takes into consideration that loan and the Pension Liability.

There was some discussion about the trend with spending being a little higher than revenue for a couple of months during the year, Melissa Tomlinson explained that Fire Districts have that challenge with most of our revenue coming from Tax collection and the timing of those payments generally twice a year (April & October).

Chief Morgan told the board that when he travels to Washington next month, he is advocating support for legislation to keep the funding to US Forestry and the Interior Department for wildland mitigation and prompt fire payments to fire agencies.

Carla Bowen made the motion to accept the Financial reports as presented, seconded by John Rowlinson, motion carried 3-0.

2. Discussion/Consideration/Possible Action re: 2019/2020 Budget Workshop

Melissa Tomlinson gave a summary overview of the upcoming budget process. She explained about the two tax revenue sources, assessed evaluations and tax rates. She told the board we are fortunate to have our Ambulance, wildland and grant revenue to help our bottom line. Pinetop Fire is trying to recover from the set back during the downward trend with the tax revenue. She explained it would take approx. six years to recover what the district lost.

2019/2020 expenditures for personnel: The Chief would like to see a COLA to wage scale equal to Social Security increase which would be an approximate 2.8% increase. Melissa Tomlinson explained that PSPRS Liability is slightly down which would be a savings of about \$21,000.00. Health Insurance went up to an approximate 18% but our general liability insurance quote is lower. We also expect that our Workers Compensation coverage will see some savings because of a lower E-Mode rate. These savings and increased AV would help us put money towards two of our reserve accounts, our Capital Reserve fund and our PTO-Payout account. We are proposing as a best practice to set aside one-time revenues into the Capital Reserve fund coming from our non-tax revenue from wildland fires. We also need to plan to have a capital surplus account for unplanned surprises or expenditures anticipating the next downturn. PTO payout, if we had to payout everyone from last year the cost would have been around \$319,000.00. Having a designated account for this unfunded liability would be proactive planning instead of having to carve it out of the existing budget cutting other planned projects. For example, we currently have two employees in the drop who could actually separate employ at any time, we definitely would benefit from having an account to pull from instead of being surprised at the last minute.

Chief Morgan told the board that having started the Strategic Planning process we should be looking down the road to a 1 to 3 and 3 to 5- years to make sure the budget is meeting the needs of the district.

There was discussion about paying down Station 11 and how much money the district has saved by lowering the interest rate to 2.37 after it had been at 8% and possibly paying it off early.

This year staff is participating by doing their own budget proposals, those responsible for line item costs and capital requests have submitted their proposal to the committee for review and funding consideration. Having employee responsibility is proving very educational, it helps them realize what the district has, and what it may spend, or what it can spend in the future.

We hope to schedule for the 5/20/19 workshop then push out the budget for the 20-day public hearing hopefully adopting it at the June 17, 2019 meeting. We are on track to have everything completed to meet the planned schedule. This item is discussion only, no board action required.

3. Discussion/Consideration/Possible Action re: Community Planning Assistance for Wildfire

Chief Morgan explained the process of the last two weeks of CPAW meetings. He told the board that it was nice to have the high-level oversight and help with risk management. Kurt Alcumbrac said he was absolutely amazed by the ability to model fire and what the repercussions in small areas and scenarios would possibly be realized. The people and the team help with the community and the whole county needs to realize there is real danger surrounding us and we absolutely need to look to the future and prepare. He said that these were resources never seen before and we are fortunate to have something to grow with. John Rowlinson said he is very pleased with the process and it is a positive step forward.

Chief Morgan said there are about 8 months remaining in the process to develop a hazard risk assessment that will improve our local development and planning for wildfire. Discussion only, no board approval

4. Discussion/Consideration/Possible Action re: Strategic Planning Process

Chief Morgan; as Charles Mead stated in public comments this has been an amazing process. We have full transparency from the community and the feedback has been invaluable. He summarized the process and the stakeholder meetings that had taken place. The 2-day workshop for the employees was very exciting and spring-boarded moral for them. There were also a couple of meetings with the stakeholders and we have received very good feedback. He included a presentation to show the board some of the community feedback, it seemed that the community was mostly worried about response times for EMS and fire services.

Chief Morgan explained that during the meetings there were 4 initiatives, 22 goals and 81 objectives. He explained how the process works and how they would be appointing some committees within the district to work on the objectives and see that they are carried out. There were 26 short term, 37 medium term, and 13 long term objectives. 9 objectives were critical task to accomplish in the first 90 days.

Carla Bowen stated that she wanted to see the Merger Study, she wanted to see if we had met some of the objectives and take the report vs what actually was done in comparison. Chief Morgan said that Mr. Bivens was excited about the dynamic of where we were today vs where we were when they did that study.

We are hoping to receive an accreditation, there are smaller districts that actually have achieved this and we hope also to be successful. He showed the district some of the service

priorities. It is looking like some priorities for the community are EMS, Fire, Mitigation program (fuels reduction) and then Haz mat and Technical rescue.

Some of the Key planning priorities were reliable equipment and facilities, then improve response times, Technical Response and then Cost to tax payers. All in all, everything was very informative.

Chief Morgan said he is very pleased with the process and involvement. Carla Bowen commented that she wants to see the improvements and incorporate the recommendations, Kurt Alcumbrac said we need to “stay the course”. This is discussion only, no board action.

VI. Summary of Current Events

1. Fire Chief's Report regarding district activities
2. May 20th meeting needs to have executive session minutes to approve.

VII. Future Meeting Dates

Next meeting is May 20th at 5:00pm

Announcements: AFDA/AFCA meeting is coming up, July 9-11. If anyone is interested in attending.

Carla Bowen would like an update monthly on the 2019 wildland season.

Kurt wants to have an outlook on the ERCS and state vs. local report next board meeting.

Adjournment-

Motion to adjourn by Carla Bowen at 6:05, seconded by John Rowlinson, motion passed unanimously 3-0.

Respectfully Submitted

Karen Robbins