

**MINUTES FOR SPECIAL MEETING OF THE
NORTHERN CONSOLIDATED FIRE DISTRICT #1 GOVERNING BOARD
Thursday, July 6, 2017 6:00 PM**

The Governing Board of the Northern Consolidated Fire District #1 met in a special session this 6th day of July, 2017, in the Board Meeting Room, located in Fire Station 31, 2485 Northern Avenue, in Kingman, AZ.

1. **CALL TO ORDER** - The meeting was called to order by Board Chair Lewis at 6:13 P.M.
2. **PLEDGE OF ALLEGIANCE** – Board Chair Lewis led in the recitation of the Pledge of Allegiance.
3. **ROLL CALL OF BOARD MEMBERS** - All members were present – Board Chair Patricia Lewis, Board Clerk Sue Wilkin, Directors Jim Bailey, Mike Collins, and Victor Riccardi.
4. **BUDGET HEARING: Legal Counsel Bill Whittington** notified Interim Chief Eder that he would not be available for Agenda Items 5 or 6 until approximately 7:00 P.M. and requested that the Board make a motion to move Agenda Item 7: BUDGET HEARING to the beginning, so that the Board would not have to wait for Legal Counsel Whittington to complete his business. **Board Clerk Wilkin** made a motion to move the Budget Hearing to the beginning of the meeting. **Director Collins** seconded the motion. Vote passed unanimously. **Board Clerk Wilkin** moved to open the Budget Hearing. **Director Bailey** seconded the motion. Vote passed unanimously.
 - a. **Insurance Coverage of District** – Interim Chief Eder directed the Board to the Budget Hearing Memo. This year there were two bids for insurance. VFIS, our current carrier, bid a renewal premium of \$50,818. Provident Fire Plus, which is a comparable policy with the same coverage with some improvement, bid \$42,000. Interim Chief Eder spoke to VFIS about reducing the price, but they declined. In addition, VFIS offered to come to this Board Meeting and address the Board and give a presentation, but they backed out at the last minute. The budget has been built around the lower price provided by Provident Fire Plus. It is Interim Chief Eder’s recommendation to switch to the lower price coverage. **Board Chair Lewis** asked Interim Chief Eder if he remembered what the differences in the policies were. **Interim Chief Eder** stated that some of the employees that worked at VFIS left and went to Provident Fire Plus, and made some changes that are claims related, to the effect of streamlining them, and not policy related. **Director Bailey** stated he is not comfortable switching to a new company without seeing the bid in writing. **Interim Chief Eder** indicated the bids were in his office and offered to go get them so that the Board could read them. **Board Clerk Wilkin** asked how large the bid packages were, and **Interim Chief Eder** answered about 80 to 100 pages. **Director Bailey** reiterated that he is not comfortable changing insurance companies without reading the bid and policy information. **Interim Chief Eder** said that the proposed budget uses the Provident Fire Plus price point which is \$8,000 less than the VFIS. **Director Bailey** asked if we could

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switch insurance carriers in a few months, after the Board had a chance to review the documents. **Interim Chief Eder** advised that the insurance year was over as of June 30, 2017, but that either company will back date the insurance to July 1, 2017 for us, but we have to get the winning company the documentation tomorrow (July 7) for them to cover us back to July 1.

Director Collins asked how Provident came up with their policy bid. Did they look at our current policy? **Interim Chief Eder** answered Yes, we filled out an entirely new application and looked at our current policy. Everything is identical. **Board Clerk Wilkin** requested clarification. "So we have identical coverage, different price, one is eight thousand dollars cheaper for the same coverage?" **Interim Chief Eder**: "Yes." **Director Collins** asked if we're keeping the same broker. **Interim Chief Eder** responded no, the Provident Fire Plus broker is in Phoenix. We changed our Workman's Comp broker to Insurance Center in Kingman and saved money on that. **Director Collins** said as long as the coverage matches, and the price is lower, we should go with the lower rate. **Director Collins** made a motion to go with Provident Fire Plus. **Board Clerk Wilkin** seconded the motion. **Board Chair Lewis** and **Director Riccardi** voted in favor, **Director Bailey** opposed. Motion carried.

- b. **Health Savings Account** – Last month Director Bailey asked about some of our budget issues. Interim Chief Eder sat down with Director Collins today and worked through some of those issues. At this meeting, Interim Chief Eder stated that he was concerned over how the Health Savings Account (HSA) balance was being charged. Director Collins agreed. Interim Chief Eder and staff are working with our accountant to resolve these issues. We have not received the County Treasurer's June report but we do have a verbal estimate from them that we received \$60,000 income for the month of June. So those two items will fix the budget issues Director Bailey had raised in the last meeting. Interim Chief Eder estimates about \$180,000 in our favor after the fiscal year financials are completed and the monetary allotment is corrected. This line item on the budget covers HSA payments and also earned time payments in the event an employee leaves. Other earned time items would be covered by the personnel line item.
- c. **Grant Being Reviewed** – The US Fire Administration is currently reviewing one of our grant applications for a water tender to specifically replace the 1980 Mack. Battalion Chief (BC) King wrote it last year, and wrote it to replace the Mack, not the one across the street that is out of service. The US Fire Administration wants to put all those 1980 water tenders out of service. This does not mean we're going to get the grant, but it does put us into another category for a grant that we've never had before in this District. They are reviewing our financial documents. One of the problems we may face is that when they look at our financial documents, one of the things they look at is capital reserve, which could be a problem. We've made it to a new step in the process, but keep in mind that this does not address the other water tender issue previously discussed.

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- d. Staffing Station 33:** This budget addresses staffing station 33 with two full time staff starting October 1, 2017 to November 1, 2017. This is the station on Stockton Hill Road, and what Interim Chief Eder brought to the Board in April when he proposed changing the Fire Prevention position to a Captain position and hire two additional engineers, which gives us one person 24/7 and gives us the summer to recruit, train, and fill those positions. We will continue to staff that station if we can get that one person from station 31. This budget will finalize that.
- e. Two Percent Pay Raise for employees –** This budget includes a 2% pay raise for employees
- f. PSPRS refund -** PSPRS provided us a list of refunds with amounts on them. The total comes to about \$177,000, which must be paid by August 1, 2017 or interest will be charged on that amount. When we pay the money back, we get credit for \$177,000 for our payroll. There is an interest amount that has not yet been ruled on by the judge in the case. **Director Collins** asked what percentage we're paying right now. **Interim Chief Eder** stated it varies because different tiers of employees pay different amounts. **Board Chair Lewis** asked if there needs to be a motion on that. **Interim Chief Eder** answered no, all of these items are included in the budget. Directors are required to approve the bottom line and to ensure that the income and expenditures are the same. Director Collins and Board Clerk Wilkin are on the budget committee and worked with Interim Chief Eder on the budget. Capital outlays are subject to separate approval by the Board.
- g. Comments from Director Collins -** One of Director Collins' concerns was the percentage on the uncollectables. Last year, the budget was for 6%, but we came in at 4% so this budget has been written for 5% on uncollectables. Last year we had a 3.00% levy rate; this budget calls for a 3.12% levy rate, which is under the maximum of 3.25% levy rate. Director Collins is comfortable with these numbers and doesn't feel we're wasting money anywhere.
- h. Comments from Board Clerk Wilkin –** Board Clerk Wilkin stated that she thinks it's a great budget and she's happy with the work that Director Collins and Interim Chief Eder did on it. She also expressed thanks to them because she learned a lot while they worked on the budget.
- i. Public Comments or Questions: Resident Rick Veradt** stated he was confused about the water tender issue. He heard that we're not compliant with ISO right now, and asked if we need another water tender to be in compliance and will that effect our budget? **Interim Chief Eder** responded that currently we own two water tenders: a 1980 Mack 2000 gallon water tender that is currently at station 33. That doesn't carry the water load that we need. We need at least 3000 to 3500 gallons. That Mack is the subject of a grant request as previously discussed. If things continue as they are and we get the grant, then that 1980 Mack will get replaced by the grant. Our portion of it would be 5% or 10% of the \$240,000 with equipment, tax, licensing, prep, all those things. The other issue is Water Tender 318, which has been out of service

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for some time. This is the 3750 gallon water tender that is assigned to this station (31). The water tender has been out of service for a long time. Interim Chief Eder took bids on it to replace the chassis and put a new pump on it. It came in at about \$109,000. To replace that water tender, it would be \$240,000. The line item for the \$240,000 includes the one across the street. The grant line item for \$909,000 includes the grant water tender. Currently the District would need two water tenders, one to replace the 1980 Mack and one to replace the one across the street. Per ISO, we need to carry about 4000 gallons in every station. We are deficient in that right now. After the budget is approved, the Board can vote to spend the capital outlay on the new water tender. Generally we don't spend that money in the summer because we're not collecting taxes. Capital projects normally happen in the winter months, after we've received some tax dollars and see where the money is. **Interim Chief Eder** asked Resident Veradt if that answered his question. **Resident Veradt** said yes and asked for more detail about Water Tender 318 and the \$109,000 repair. Interim Chief Eder answered that we purchased it in 2003 with a used chassis. The problem with that truck is that it has some pump issues and weight issues on the chassis. We asked the bidders if we could put the new build on a used chassis. It turns out the chassis has over two million miles on it so we feel that putting a used chassis on a used truck may not be the best way to go right now. **Director Collins** asked when the pump went out. **Battalion Chief Don Dallman** answered about three years ago. **Director Collins** stated we had an ISO inspection about three years ago, so fixing the trucks doesn't have to happen tomorrow. **Battalion Chief Dallman** stated the pump works, but then overheats to the point you can't touch it, and becomes a safety issue for the Firefighters. **Board Chair Lewis** asked how much time before we have to take it out of service. **Interim Chief Eder** stated it's already out of service and it has been for some time. **Battalion Chief Dallman** stated it's been out of service about a year. **Resident Veradt** asked, "That brings up a whole lot more questions, and that's Why the hell wasn't it fixed three years ago?" **Director Collins** redirected the public questions back to the budget. **Reporter Hubble Ray Smith** asked for the total income/expenditure amount for this year's budget. **Interim Chief Eder** answered, \$3,094,762. That does not include Capital Outlay. There were no more questions from the public.

5. POSSIBLE APPROVAL OF FINAL BUDGET FOR 2017-2018 FISCAL YEAR.

Board Chair Lewis asked for a motion to adopt the Fiscal Year 2017-2018 proposed budget as presented. **Board Clerk Wilkin** made the motion, **Director Bailey** seconded. There were none opposed. Motion carried. **Interim Chief Eder** stated he will notify Mohave County of the adopted budget and new tax rate, and will switch the insurance over from VFIS to Providence Fire Plus.

6. POSSIBLE VOTE TO GO INTO EXECUTIVE SESSION – Interim Chief Eder suggested the Board adjourn to Executive Session and set up there to wait for Legal Counsel Whittington's phone call. **Board Chair Lewis** made the motion. **Board Clerk Wilkin** seconded. There were none opposed. Motion carried.

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Board adjourned for executive session at 6:43 P.M.

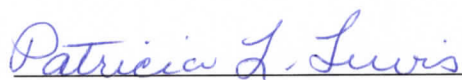
Public Session reconvened and was called to order at 7:23 P.M.

7. DISCUSSION AND POSSIBLE ACTION:

- a. Possible action going forward re: Fire Chief selection process; possible appointment of Fire Chief.** – Board Chair Lewis stated there were three applicants for the Fire Chief position and produced the score sheets for the applicants' interviews. As Director Collins was not present for the June 15, 2017 Executive Session when Interim Chief Eder was interviewed, he did not submit a score sheet for that interview, so there were only 14 out of 15 score sheets provided. All of the score sheets were given to Administrative Support Nikki Berry to total. It was discovered that Director Bailey did not submit his completed score sheet for Interim Chief Eder's interview, so there were only three score sheets for Eder and five score sheets for the other two applicants. **Director Bailey** stated he gave his scoresheet to Lynn (former Administrative Assistant). He stated he would check for it. **Director Collins** suggested the Board table the item until the next regular meeting in two weeks (July 20, 2017). **Board Chair Lewis** agreed.
- b. Possible action on Garnica complaint.** – Will be filed with Legal Counsel Whittington.
- c. Possible action on Fire Chief hostile work environment complaint.** – Will be filed with Legal Counsel Whittington.
- d. Presentation by insurance agent re: insurance pricing; possible action re: policy renewal.** – Was cancelled by the insurance agent prior to the Board Meeting.

- 8. CALL TO THE PUBLIC** - Resident Ric Veradt requested that next meeting's agenda include an item regarding the water tender issue. From what he has heard, we don't have a working one. Are we in compliance?
- 9. FUTURE AGENDA ITEMS AND STAFF TASKS** - **Board Chair Lewis** asked Interim Chief Eder to put Resident Veradt's concerns on next meeting's agenda. **Interim Chief Eder** said he would make it an action item.
- 10. ADJOURNMENT** **Board Chair Lewis** made the motion to adjourn. **Board Clerk Wilkin** seconded. Motion passed unanimously. Board adjourned at 7:39 P.M.

These minutes were prepared by Nikki Berry this 14th day of July, 2017.


Patricia Lewis, Board Chair


Sue Wilkin, Board Clerk