

Pine-Strawberry Fire District

PINE-STRAWBERRY FIRE BOARD REGULAR MEETING MINUTES February 17, 2022

The meeting was called to order at 6:08 pm

- 1) **Pledge of Allegiance**
- 2) **Roll Call** – Present were Board Clerk Bob Papke, Member - Bruce Dow – via zoom, Board Chairman - Chuck Ackerman, Member - Mel Palmer, and Member - Dave Burkhart.
- 3) **Presentations** – None
- 4) **Correspondence** – None
- 5) **Call to the Public** – None
- 6) **Approval of January 2022, Regular Meeting Minutes** – Mel Palmer moved to accept the minutes as written and authorize the Board Clerk to sign them. Bob Papke seconded and the motion and it passed unanimously.
- 7) **Financial Report** – Approval of Previous Month’s Finances – January 2022, Financial Reports - Ben Archer-Clowes of the James Vincent Group was in attendance and he presented the financial report to the board. Dave Burkhart moved to accept the financial statements and authorize the Board Clerk to sign them. Mel Palmer seconded the motion and it passed unanimously.
- 8) **Fire Chief’s Report**– Including but not limited to:
 - a) **Significant emergency incidents** – In January, a structure fire on Ute in Pine.
 - b) **Other non-emergency Fire District Activity** – Chief Wisner worked on a Wildfire Protection Plan (area wide)
The Fire District Board heard presentations this month from the PSPRS on Unfunded Accrued Liability (UAL), and from Royal Bank of Canada Capital Markets (RBCCM) and also a presentation from Stifel Public Finance on the possibility of Certificates of Participation (COP) and General Obligation Bonds (GOB) for refinancing for the unfunded liability debt and/or capital projects.
 - c) **The Fire Marshal’s office** has reviewed 8 plans, adding 10,014 square feet of construction and totaling \$1,939.92 of revenue.
 - d) **Report on emergency call volume from previous month** – responded to 78 calls for service.
 - e) **Report on vehicle maintenance from previous month** – \$5,855.78
 - f) **Report on training activities from previous month** – 179 hours of training reported.

- g) **Specific program updates or demonstrations** – Board Member Dave Burkhart asked if there have been any lockboxes issued/installed. We have installed one lockbox. The information and application is on our website.
Extrication tools (grant funded) are expected next month.
Cardiac Monitors (grant funded) are expected next month.
Gas Monitoring equipment from ADEQ – no expected delivery date as yet.

9) **Other Fire District Related Reports**

- a) District Board Chairman’s Report – None
- b) PSPRS Board Report – None
- c) Firefighter’s Association Report – None
- d) Labor Organization Report – None
- e) Fossil Creek Access Report – Fossil Creek remains closed.

10) **Old Business –**

a) **Purchase order consideration for new fire pumper**

Robert Papke provided information on chassis and cab strength and documented crash and crush testing provided by Mark Julien of H&E Equipment. Copies provided to the Board.

Chief reported that he has researched other cooperative purchasing groups/contracts and E-1 manufacturer. Because of PSFD particular specifications and equipment requirements, a direct comparison could not be found. Sourcewell Cooperative purchasing has published RFPs to establish the contract price for the E-1 Typhoon base model, and is currently 17% below MSRP and where possible below MSRP on outsourced options.

Questions from Chuck Ackerman on assurances of best reasonable price, risk of quote expiring or price increase.

Question from Robert Papke on assurances that Sourcewell price is based on competitive bidding meeting our obligation.

Dave Burkhart made a motion to authorize Chief Wisner to issue a purchase order to H&E Equipment Services for one E-One E-Max 4x4 Wildland Urban Interface Engine as specified at a total cost of \$874,824.77. Mel Palmer seconded the vote and it passed unanimously.

Additionally, Dave Burkhart made a motion to direct Chief Wisner to contact the City of Phoenix by letter to formally request that the city sales tax be waived on this purchase. Bruce Dow seconded the motion and it passed unanimously.

- b) **Staff directives concerning PTO usage for COVID-19 related quarantine/isolation** – The Board may reconsider this issue to possibly make changes or clarifications to current staff direction.

Following the January Board meeting, Chief Wisner learned that there are no CDC quarantine “Mandates”. The issue at hand is to clarify the wording of the motion expressing the wishes of the Board to provide paid leave to employees missing work due to a “work related” exposure to COVID-19.

Dave Burkhart made a motion that as long as the CDC *guidelines* recommend quarantine of COVID-19 virus, employees infected with COVID-19, reported as “work related” will be covered without the use of their PTO retroactive to December 29, 2021, and to be revisited at the April 2022, regular Board meeting.

Bob Papke seconded the motion and it passed unanimously.

- 11) **New Business – Consideration of financial underwriting services** The Board will consider entering into an agreement with one or more financial services providers related to the issuance of Public Safety Personnel Retirement System (PSPRS) taxable pension obligations, such as Certificates of Participation (COPs).

Based on the presentations by PSPRS, RBCCM (Royal Bank of Canada Capital Markets) and Stifel Public Finance at the Special Board Meeting of 2-14-2022, PSFD has a currently unfunded pension liability of approximately \$5.5 Million our current plan is to be fully funded over a period of 30 years with current payments around \$340K annually including 7.3% (assumed earning rate) percent interest payment escalate over the term of the amortization to over \$600K by 2048.

Legislation was changed to allow Fire Districts to refinance the UAL(Unfunded Accrued Liability) through taxable COPs (Certificates of Participation) resulting in level payments at interest rates lower than the assumed 7.3% by PSPRS. This would result in a savings of \$3M to \$4+M over 21 to 26 years.

RBC and Stifel presented plans to issue COPs for PSFD. Proposals were received on Monday, 2-14-22 (RBC) and Wednesday, 2-16-22 (Stifel).

Discussion of fees and collateral requirements of the COP issue as proposed.

Board Member Papke had prepared a spread sheet comparing terms, debt service costs, and fees item by item between the two proposals. It appears from the numbers provided by the two firms that RBC fees are much higher than Stifel, but that a shorter term and slightly lower predicted interest rate would realize more overall savings (amortized UAL - debt service + fees).

Mr. Papke had also contacted the only reported Fire District, Fort Mohave Mesa Fire District, to have used RBC to manage a COP, and memorialized the conversation with Chief Helms in an email to Chief Wisner. Copies were provided to the Board. The Information from Fort Mohave Mesa Fire District was generally positive regarding the product and service provided by RBC. Chief Wisner had previously related positive feedback from Hellsgate FD on the product and services provided by Stifel.

Mr. Papke, and Mr. Burkhart stated they felt more time and assistance from our financial advisors/accountants in analyzing the costs and saving was needed.

Ben Archer-Clowes of the James Vincent Group was asked to provide analysis of the two proposals.

Dave Burkhart made a motion to table this item until the March board meeting. Bob Papke seconded the motion and it passed unanimously.

- 12) **Future Meeting Date** will be Thursday, March 17, 2022, at 6:00 pm. Items for consideration- Financial Underwriting Services related to PSPRS unfunded liabilities & COPs for capital purchases.
- 13) **Adjournment** –Dave Burkhart made a motion to adjourn. Chuck Ackerman seconded the motion and it passed unanimously at 7:35 pm.

cw