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Pine-Strawberry Fire District

PINE-STRAWBERRY FIRE BOARD REGULAR MEETING MINUTES

June 20, 2024

The meeting was called to order at 6:00 pm.

- 1) **Pledge of Allegiance**
- 2) **Roll Call** – Present were Board Clerk - Bob Papke, Member - Bob Bennett, Board Chairman - Chuck Ackerman, Member - Dave Burkhart, and Member - Melvin Palmer.
- 3) **Presentations** – None.
- 4) **Correspondence** – One letter of thanks was included in the Board packets with many signatures on it from the residents of the trailer park on McClendon Rd. (Behind the Administrative office)
- 5) **Call to the Public** – None.
- 6) **Approval of Previous Minutes**

May 16, 2024 – Regular Meeting Minutes – Dave Burkhart made a motion to accept the minutes as written and to authorize the Board Clerk to sign them. Bob Bennett seconded the motion and it passed unanimously.

- 7) **Financial Report of May 2024** – Ben Archer-Clowes of the James Vincent Group was in attendance via telephone and presented the financials. Dave Burkhart made a motion to approve the financial report as given and to authorize the Board Clerk to sign. Mel Palmer seconded the motion and it passed unanimously. (See attached Financial Report.)
- 8) **Fire Chief's Report** – Including but not limited to: (See attached Fire Chief's Report.) Note: Fire Chief Joel Brandt was absent due to funeral preparations for the next morning. Captain Hunter Scott presented the "Chief's Report" in his absence.

Emergency Activity-

Total Dispatches for May = 57 Total Calls for Service

4 Fires

37 EMS

0 Gas Leak/Hazmat/Electric

9 Motor Vehicle Accidents

7 Misc. Calls for Service

- a) **Training Report** – Total training hours completed this month were 647.5 hours reported for all career members and 116 hours reported for reserve members.
- b) **The Fire Marshal's Report** – The Fire Marshall's office reviewed 12 sets of plans, adding 15,463 square feet of construction, and totaling \$3,091.80 of revenue.
- c) **Vehicle Report** – A total of \$2,351.66 was spent on vehicle repairs this month. All District vehicles are in service.

9) **Other Fire District Related Reports**

- a) **District Board Chairman's Report** – None.
- b) **Public Safety Personnel Retirement System Local Board Report** – Dave Burkhart reported that we have the first of our 2 required Local PSPRS Board meetings scheduled for June 27, 2024 at 10:00 am.
- c) **Firefighter's Association Report** – Hunter Scott reported to the Board that the Tumblers are selling well and they are still in the process of getting t-shirts made.
- d) **Labor Organization Report** – None.

10) **New Business –**

- a) **Open Public hearing for discussion on proposed FY 24-25 Budget adoption.**
Mel Palmer made a motion to open a public hearing at 6:15 pm. Dave Burkhart seconded the motion and it passed unanimously.
There was no comment from the public.
Mel Palmer made a motion to close the public hearing. Dave Burkhart seconded the motion and it passed unanimously at 6:17 pm.
- b) **Discussion/Possible action on adopting the FY 24-25 proposed budget.**
Ben Archer-Clowes stated that this is the same budget that the Board tentatively adopted last month and that it has been posted for the required amount of time. Bob Bennett made a motion to adopt the FY 24-25 proposed budget. Chuck Ackerman seconded the motion and it passed unanimously. *(Budget will be posted on the District's website)*
- c) **Discussion/Possible action on the 2025 PSPRS Pension Funding Policy**
(see attached PSPRS Pension Funding Policy)
Dave Burkhart made a motion to accept the pension funding policy as it is presented. Chuck Ackerman seconded the motion and it passed unanimously.
(PSPRS Pension Funding policy will be posted on the District's website.)
- d) **Discussion/Possible action on adoption of Policy 2.8 Promotions.**
Dave Burkhart made a motion to adopt Policy 2.8 Promotions as presented to the Board with an effective date of July 5, 2024. Mel Palmer seconded the motion and it passed unanimously.

11) Future Board Meeting Date

Due to the AFDA/AFCA Conference in July, the board will postpone the regular meeting to the fourth Thursday in July. The meeting will be July 25, 2024, starting at 6:00 pm.

Items for discussion – Policies ready for adoption, Update/Timeline for Bond issuance.

12) Adjournment:

Bob Papke made a motion to adjourn. Chuck Ackerman seconded the motion and it passed unanimously at 6:51 pm.

cw



Pine- Strawberry Fire District

6198 W Hardscrabble Mesa Rd
Pine, AZ 85544



Monthly Financial Report – May 2024

Attached are the following for your information and review:

1. Balance Sheet as of May 31, 2024.
2. Summary of Reconciled Cash Balances as of May 31, 2024.
3. Income Statement of Revenues and Expenditures for May 2024 including budget to actual and year-to-date balances.
4. Income and Expenses Graph FY24.
5. Monthly Disbursement Report.
6. 12-Month Cash Flow.

Key points:

- Revenue for May is \$155,977 which is \$167,507 under budget.
 - Tax Revenue is \$112,345 which is \$137,097 under budget.
 - Non-Tax Revenue for May is \$43,633 which is \$30,409 under budget.
- Expenses for May totaled \$289,821 which is under budget by \$17,367.
- Year to Date Revenue is \$3,683,277 which is \$21,205 over budget.
- Year to Date Expense is \$3,255,981 which is \$44,371 under budget.

Please contact the Finance Department at (480) 422-9777 for any questions or concerns regarding this report.

This report and the attached detail reports have been reviewed and approved by the Fire Board.



Board Clerk

6-20-2024
Date



Pine-Strawberry Fire District

P.O. Box 441 Pine, Arizona 85544

Phone: (928) 476-4272 Fax: (928) 476-4634

Website: www.pinestrawberryfiredistrict.com

Fire Chief's Report - June 2024

Emergency Activity – Total Dispatches for May = 57 calls for service

4 Fires

37 EMS Calls

0 Gas Leak/Hazmat/Electric

9 Motor Vehicle Accidents

7 Misc. calls for service

During the previous month, there were 40 calls for service.

Vehicle Report – Battalion 4 had its lettering completed for \$2,351.66. E426 had multiple repairs completed this month costing the District only \$50 because they were completed in-house. E-41 had the driver's seat belt buckle replaced. All District vehicles are in service.

Training Report - Total training hours completed this month were 278.5 hours reported for all career members, and 0 hours reported for reserve members.

Plan Reviews – The PSFD Fire Marshall reviewed 4 sets of plans this month with a total addition of 3,782 SQ FT. The fees collected this month were a total of \$754.20.

Significant Incidents and Events:

- We have had a reserve member pass away from a cardiac event, and we will be participating in his services.
- We are continuing to work with Pine-Strawberry Fuels Reduction INC. on a 90/10 fuels reduction grant.
- Our new UTV is in station and will be put in service once the proper training has been completed.

- We have been awarded \$8,500 from the Gila County Supervisors Office for Mass Casualty Equipment and Stop the Bleed training equipment.
- We have had multiple wildland deployments throughout the month.
- The District is currently in stage 1 fire restrictions.

Pine Strawberry Fire District Public Safety Personnel Retirement System Pension Funding Policy

The intent of this policy is to clearly communicate the Fire Board's pension funding objectives and its commitment to our employees and the sound financial management of the Pine Strawberry Fire District and to comply with statutory requirements of Laws 2018, Chapter 112.

Several terms are used throughout this policy:

Unfunded Actuarial Accrued Liability (UAAL) – Is the difference between trust assets and the estimated future cost of pensions earned by employees. This UAAL results from actual results (interest earnings, member mortality, disability rates, etc.) being different from the assumptions used in previous actuarial valuations.

Annual Required Contribution (ARC) – Is the annual amount required to pay into the pension funds, as determined through annual actuarial valuations. It is comprised of two primary components: normal pension cost – which is the estimated cost of pension benefits earned by employees in the current year; and, amortization of UAAL – which is the cost needed to cover the unfunded portion of pensions earned by employees in previous years. The UAAL is collected over a period of time referred to as the amortization period. The ARC is a percentage of the current payroll.

Funded Ratio – Is a ratio of fund assets to actuarial accrued liability. The higher the ratio the better funded the pension is with 100% being fully funded.

Intergenerational equity – Ensures that no generation is burdened by substantially more or less pension costs than past or future generations.

The Pine Strawberry Fire District fire employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS).

Public Safety Personnel Retirement System (PSPRS)

PSPRS is administered as an agent multiple-employer pension plan. An agent multiple-employer plan has two main functions: 1) to commingle assets of all plans under its administration, thus achieving economy of scale for more cost efficient investments, and invest those assets for the benefit of all members under its administration and 2) serve as the statewide uniform administrator for the distribution of benefits.

Under an agent multiple-employer plan each agency participating in the plan has an individual trust fund reflecting that agencies' assets and liabilities. Under this plan all

contributions are deposited to and distributions are made from that fund's assets, each fund has its own funded ratio and contribution rate, and each fund has a unique annual actuarial valuation. The Pine Strawberry Fire District has one trust fund for fire employees.

The Fire Board formally accepts the assets, liabilities, and current funding ratio of the Pine Strawberry Fire District PSPRS trust funds from the June 30, 2023 actuarial valuation, which are detailed below.

Liabilities and Funded Ratios – Tiers 1 & 2

	June 30, 2023	June 30, 2022
Pension		
Actuarial Present Value of Benefits (PVB)		
Retirees and Beneficiaries	\$ 6,445,140	\$ 5,307,916
DROP Members	666,193	1,942,899
Vested Members	22,357	22,357
Active Members	<u>8,234,626</u>	<u>7,444,480</u>
Total Actuarial Present Value of Benefits	15,368,316	14,717,652
Actuarial Accrued Liability (AAL)		
All Inactive Members	7,133,690	7,273,172
Active Members	<u>6,423,901</u>	<u>5,555,119</u>
Total Actuarial Accrued Liability	13,557,591	12,828,291
Actuarial Value of Assets (AVA)	7,605,680	7,371,202
Unfunded Actuarial Accrued Liability	5,951,911	5,457,089
PVB Funded Ratio (AVA / PVB)	49.5%	50.1%
AAL Funded Ratio (AVA / AAL)	56.1%	57.5%

Liabilities and Funded Ratios – Tiers 3

	June 30, 2023	June 30, 2022
Pension		
Actuarial Present Value of Benefits (PVB)		
Retirees and Beneficiaries	\$ 2,783,769	\$ 944,111
Vested Members	6,565,608	3,654,003
Active Members	<u>558,509,014</u>	<u>403,144,180</u>
Total Actuarial Present Value of Benefits	567,858,391	407,742,294
Actuarial Accrued Liability (AAL)		
All Inactive Members	9,349,377	4,598,114
Active Members	<u>101,611,814</u>	<u>64,341,090</u>
Total Actuarial Accrued Liability	110,961,191	68,939,204
Actuarial Value of Assets (AVA)	119,101,476	76,171,857
Unfunded Actuarial Accrued Liability	(8,140,285)	(7,232,653)
PVB Funded Ratio (AVA / PVB)	21.0%	18.7%
AAL Funded Ratio (AVA / AAL)	107.3%	110.5%

PSPRS Funding Goal

Pensions that are less than fully funded place the cost of service provided in earlier periods (amortization of UAAL) on the current taxpayers. Fully funded pension plans are the best way to achieve taxpayer and member intergenerational equity. Most funds in PSPRS are significantly underfunded and falling well short of the goal of intergenerational equity.

Proposition 207

In 2020, AZ voters approved Prop 207 the "Smart and Safe Arizona Act." As part of this initiative a "Smart and Safe, Arizona Fund" was established to receive revenue from a 16% excise tax and licensing and registration fees. As a fire department with individuals enrolled in PSPRS, the Pine-Strawberry Fire District is eligible to receive this revenue based on the number of PSPRS individuals and taxes and fees collected. The Arizona State Treasurer will distribute these funds biannually, June 30 and December 31.

The Fire Board's PSPRS funding ratio goal is 100% (fully funded) by June 30, 2047.

Fire Board established this goal for the following reasons:

- The PSPRS trust funds represent only the Pine Strawberry Fire District liability
- The fluctuating cost of an UAAL causes strain on the Pine Strawberry Fire District budget, affecting our ability to provide services
- A fully funded pension is the best way to achieve taxpayer and member intergenerational equity

Fire Board has taken the following actions to achieve this goal:

- Maintain ARC payment from operating revenues – Fire Board is committed to maintaining the full ARC payment (normal cost and UAAL amortization) from operating funds.
- Additional payments above ARC.
 - Annually evaluate prior years budget compared to actual expenditures may permit excess payments.
 - It is the policy of the Pine-Strawberry Fire District Board to use the money received from the Smart and Safe Arizona Fund to pay the districts PSPRS related liabilities.

Based on these actions the Fire Board plans to achieve its goal of 100% funding by June 30, 2047 in accordance with the amortization timeline set forth by the PSPRS June 30, 2023 Actuarial Valuation.