

**MINUTES OF REGULAR MEETING OF THE
RINCON VALLEY FIRE DISTRICT GOVERNING BOARD MEETING
HELD May 16, 2019**

A public meeting of the Rincon Valley Fire District Governing Board was convened on **May 16, 2019 at 5:00 P.M.** at RVFD Station 2; 14550 E. Sands Ranch Rd. Vail, AZ 85641. Present at the meeting were the following members of the Rincon Valley Fire District Governing Board: Chairperson Michelle Harrington, Clerk Mark Tate, Member Terry Newman, Member Jennifer Spears, and Member Christopher Klasen.

The following matters were discussed, considered and decided at the meeting:

1. Call to Order at 5:05 P.M by Chairperson Harrington

A. Roll Call - Chairperson Michelle Harrington	present
Clerk Mark Tate	present
Member Terry Newman	present
Member Jennifer Spears	present
Member Chris Klasen	present

- Also attending – Fire Chief Jayme Kahle, Administrative Manager Laura Bucklin. RVFD Attorney Donna Aversa was also in attendance.

2. Pledge of Allegiance – Chairperson Harrington lead the pledge of allegiance.

3. Date of next meeting scheduled for June 20, 2019 at 6:00 P.M.

- Confirmed by four board members. Clerk Tate will not be able to attend.

4. Call to the Public

- The firefighters read books to the kids at Acacia Elementary School for ‘Reading Week’ and thank you letters to the firefighters were shared with the Board.
- A Retirement Ceremony was held for Benjamin Wooley. Crew members and friends were gathered in honor of Firefighter Paramedic Wooley’s service.

5. Consent Agenda

Approval of Consent Agenda – Motion by Clerk Tate, second by Member Spears to approve all items on the Consent Agenda. Motion passed 5 to 0.

- A. Approval of the Minutes of the April 18, 2019 Regular Board Meeting.
- B. Review, discussion and possible action to approve the Base Hospital Agreement with Carondelet.
- C. Approval of Resolution #19-022 Armbruster Annexation (14208 E Avenida Elena).
- D. Approval of Resolution #19-023 McNeil Annexation (14471 E Wood Canyon Place).

- E. Approval of Resolution #19-024 Bustamante Annexation (14264 E Avenida Elena).
- F. Approval of Resolution #19-025 Woychowski Annexation (14271 E Avenida Elena).

6. Reports and Correspondence

- A. **Fire Chief's Report** – Chief Kahle mentioned a revision to the report. Reviewed by the Board. Report on file.
 - On May 8th, the District was served a summons for a civil law suit from an employee. Our counsel was immediately contacted and the board chair was notified. We have notified our insurance provider since we are insured for these issues. Chief Kahle has been notified that they will represent us and that counsel specializing in employment law will soon be provided.
- B. **April's Financial Reports** – Review, discussion and possible action, of the district's financial status including monthly summary reports.
 - Monthly Financial Report for the month of April 2019.
 - Monthly Expense Report for the month of April 2019.
 - Monthly Bank Reconciliations and Balance Sheet for the month of April 2019.

-Motion by Clerk Tate, second by Chairperson Harrington to approve the district's financial reports for the month of April 2019. Motion passed 5 to 0.

7. Unfinished Business

- A. None.

8. New Business – Chairperson Harrington asked for items to be moved out of order and requested Item #8-B be moved to the end of the agenda.

- A. **2019-035 – Review, discussion and possible action to enter into a Prevention Services IGA with Northwest Fire District.**
 - RVFD originally signed an IGA with NWFD for fire prevention services. The scope was primarily limited to new commercial construction. However, as we have worked on the Community Risk Assessment and our rapid residential growth, we need the services of a full-scale fire prevention division. A full-scale fire prevention division would involve a fire marshal, an arson investigator, a plans reviewer, a fire inspector and a life safety educator (5 positions). That would cost us over \$400,000. Another option would be to hire a generalist fire marshal at a cost of \$110,000. Unfortunately, we would be severely limited with availability of that option and we do not yet need a 40-hour fire marshal. A more efficient method is to contract out our fire prevention services, much like what we do with IT and dispatch. We will have the full services of all identified positions without the associated expense. To accomplish this,

we would share a position with NWFD and our match would be 55%.
(We pay a higher rate since NWFD is supplying vehicle, computers, etc.).
The total cost is \$55,008 and is renewed/negotiated each year. Invoiced at
\$4,584/month.

-Motion by Chairperson Harrington, second by Member Newman to enter into an agreement with NWFD for fire prevention services to commence on July 1, 2019. Motion passed 5 to 0.

B. 2019-036 – Review, discussion and possible action to approve the FY 19/20 Tentative Budget. (Moved to last item on agenda).

C. 2019-037 –Review, discussion and possible action to authorize the Fire Chief to renew the EMI Health Insurance Plans.

- After investigating a few options, the benefit committee is recommending that we renew with EMI for our health insurance, Sun Financial for our dental insurance, and continue to offer an optional vision plan. The only rate increase was that of the health insurance in which the increase was 5.65% overall. The increase in cost is shared between the District and the employees. For the High Deductible Plan, the District provides 80% and provides the employee with some funds for their HSA account. With this plan (Option 14), we increased the deductible to \$4,000/\$6,500 from the current \$3,000/\$6000. To ensure the employee is whole, we raised the HSA contribution to \$1,000/\$1,800. This plan had an average of a 2.4% increase. For the PPO plan, the District covers 75%. This plan had an average increase of 5.5% increase for Option 5. Furthermore, our plan is now using the BCBS network over the Cigna network, which is a great improvement. \$376,500 in account 5150. Approximate \$19,500 increase over prior year (5.65% increase). Please note the thin margin for this line and that we will need to use contingency funds if there are large swings in coverage changes. Predicted expense based upon current coverage is \$374,422.

-Motion by Member Klasen, second by Member Spears to authorize the Fire Chief to renew the 2019/20 Health Insurance Agreement with EMI Health and Dental Insurance Agreement with Sun Financial. Motion passed 5 to 0.

D. 2019-038 – Review, discussion and possible to renew the General Insurance Agreement.

- The District needs to maintain a general insurance policy. The general insurance policy covers all aspects of insurance needs except workers compensation insurance. As such, it includes automotive, facilities, liability, errors and omissions, directors, volunteers, cyber, fire and EMS liability, and employee theft. We did go out to bid last year and McNeil was not only the lowest bidder, but also the best bidder. We have been with this agency for many years and they continue to provide the best value. Proposal is \$38,833. \$49,000 is budgeted in General Insurance (5280). This represents an 11% increase over last year.

-Motion by Chairperson Harrington, second by Member Spears to renew our general insurance policy with the McNeil Insurance Company. Motion passed unanimously 5 to 0.

E. 2019-039 - Review, discussion, and possible action to approve Memorandum of Agreement (MOA) with Northwest Fire District (NWFD) for the 2019 AFG Regional Grant Application.

- At the February 2019 meeting, the board authorized Chief Kahle to work with NWFD in developing the application. As a reminder, the purpose of the grant is to replace all front-line PCWIN radios from the current single band 800 MHz radios to dual band radios. Specifically, the grant will allow us to replace most (21 of 33) of our nine year old PCWIN radios and eliminate the need to maintain two radios. The next step in this process is to formally approve our agreement in applying for this grant. The total cost of the radios is estimated to be \$189,000. Rincon's match would be \$18,900.

-Motion by Clerk Tate, second by Member Newman to approve the MOA with the Northwest Fire District for the 2019 AFG Regional Grant Application for the purchase of dual radios. Motion passed 5 to 0.

Item #8-B - 2019-036 – Review, discussion and possible action to approve the FY 19/20 Tentative Budget. (Moved to last item on agenda).

- The draft budget maintains the tax rate at \$2.7834.

Significant Changes

- Merit/COLA in 19/20 Pay plan
- 14th FF (SAFER)
- Contracted FM Services
- Improved Bereavement Pay (72 hours)
- Improved Paramedic Pay
- Improved pay for needed skills - wage differentials - Engine Boss, Fire Officer I, Driver/Operator, Special Ops, PM
- Enhanced Health Insurance (HSA contributions)

Requested Revenue increase of \$483,000

Requested Expense increase of \$476,000

- \$424,000 for personnel (\$242,000 in wages/benefits, \$182,000 for new FFs)

Average Taxpayer - \$679.40; Taxpayer Impact 3.97% (\$25.94)

We currently have a balanced budget. This budget maintains our reserves at 29% and our total net income reduces by \$31,000. We do predict future shortfalls in our forecast (assumed 5.29% growth rate).

Chairperson Harrington voiced concerns regarding the budget not being sustainable. She also voiced concerns regarding worker's compensation injuries. She stated she wants to make sure the firefighters are working hard to be safe. Worker's Compensation budget costs have increased. She also stated that she trusts Chief Kahle and she believes in the firefighters and staff, but she knows this budget will not be sustainable for future budgets.

Chief Kahle stated to the Board that he believes this budget is critical. Chief Kahle is also concerned about the injuries. He stated we have policies in place, we have annual physicals, and we have meetings with safety committee to make sure employees are getting the message to be safe. Chief asked the board to let him do the job to improve safety.

Member Spears fears we will not be competitive to retain firefighters if we do not compensate them for their skills, such as HazMat and other special certifications. She also stated the firefighters should not be blamed for injuries.

Member Klasen voiced concerns regarding a firefighter injury that could have been prevented if he did not have to perform one of our wildland procedures. Member Klasen is in support of the budget as it stands.

RVFD Attorney, Donna Aversa stated that the budget has lots of moving parts and we cannot hold that against the firefighters. Instead of talking about injuries, we should be talking about safety.

Member Newman voiced concerns regarding employees being compensated now. He stated employees should work harder and get compensation down the road.

Clerk Tate is acceptable with the budget this year, but is concerned about the budget next year.

-Motion by Member Klasen, second by Member Spears to adopt the Tentative Fiscal Year 19/20 Annual Budget. Motion passed 5 to 0.

-Motion by Chairperson Harrington, second by Clerk Tate to order the Public Hearing for the Final FY 19/20 Annual Budget to be set for June 20, 2019. Motion passed 5 to 0.

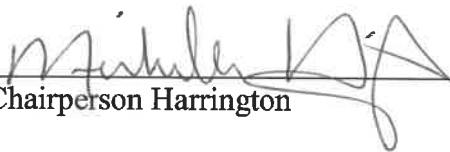
9. Future Agenda Items (no discussion)

- Annexations
- FY 19/20 Final Budget & Public Notice


10. Adjournment - Motion by Clerk Tate, second by Chairperson Harrington to adjourn. Motion passed 5 to 0. Meeting adjourned at 5:49 p.m.

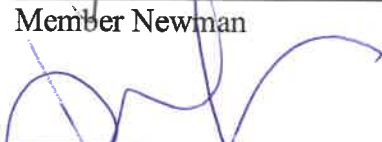
Dated this 21st day of May 2019.

Rincon Valley Fire District Governing Board


Chairperson Harrington

Clerk Tate


Member Newman


Member Spears


Member Klasen