

**Minutes from March 29th, 2012
Regular Fire Board Meeting
Black Canyon Fire District**

- ITEM I:** *Call to Order:* The monthly Board Meeting was called to order on Thursday, March 29, 2012 at 6:02 PM.
- ITEM II:** *Roll Call of Board Members:* Present - Chairperson Marilyn Forsythe, J. Coslett-Muirhead, D. Kenson, P. Chartier; S. McMahon. Also present: Chief Birch, E. Caldwell, A. Carnes and L. Tomeckso with Squaw Peak Realty.
- ITEM III:** **Pledge of Allegiance:** P. Chartier led the Pledge of Allegiance.
- ITEM IV:** *Minutes from the February 23, 2012 Regular Fire Board Meeting, March 5th Special Board Meeting, March 8th Special Board Meeting and March 12th Special Board Meeting:* < D. Kenson > motioned to approve the minutes from the January 2012 Regular Fire Board Meeting, Mar. 5th Special Board Meeting, Mar. 8th Special Board Meeting and Mar. 12th Special Board Meeting; <P. Chartier > 2nd the motion. **Motion carries 4 – 1 with S. McMahon** abstaining due to her absence from the Feb. 23rd Regular Fire Board Meeting.
- ITEM V:** *Bookkeeping report from February 2012:* <P. Chartier> Motioned to accept the Bookkeeping Report for February 2012; <S. McMahon> 2nd the motion. **Motion carries with a 4-1 vote with J. Coslett -Muirhead** abstaining due to illness and not having the opportunity to review the report.
- ITEM VI:** *Ambulance bookkeeping and Insurance Billing Report for February 2012:* <D. Kenson> motioned to accept the February 2012 Ambulance and Insurance Bookkeeping Report. <P. Chartier> seconds the motion. **Motion carries with a 4-1 vote with J. Coslett-Muirhead** abstaining due to illness and not having the opportunity to review the report.
- ITEM VII:** *Chief's Report:* <Chief> There are several Dept. member anniversaries this month; Elaine Caldwell with 17 years, John Burkhart with 11 years, and Jason Tilson with 9 years. Congratulations and thank you for your hard work and contribution to the Dept. and the Community.

Incidents for the month of February 2012 = 69 compared to 78 for February 2011. Total transports, including from scene to helicopter for February 2012 = 35 compared to 26 for February 2011. January 1, 2012 to February 29, 2012 = 66 compared to 65 for January 1, 2011 to February 28, 2011.

Combined training hours for the month of January 2012 = 646.

Yavapai County Emergency Management is providing the District with a grant for all new radios. As of January 2013, all Emergency Services agencies must be “narrow-band” capable; this is an unfunded requirement from the federal government. This grant will replace all of our portable radios and the radio in Chief’s truck. Our other radios are capable of being switched to narrow-banding. The nice thing is no money will pass

through us; the radios will be considered county property but assigned to BCFD. We didn't have the \$30,000 necessary for the upgrade and had applied for a joint grant with Mayer Fire for radios, so this is welcome news.

ITEM VIII: *Discuss and/or vote on adopting Resolution Number 2012-0329-A pertaining to the declaration of the property and buildings located at 34781 S. Mud Springs Rd., Black Canyon City, AZ 85324 to be surplus and authorize its listing and sale.* <J. Coslett-Muirhead> motions to discuss/vote adopting Resolution No. 2012-0329-A: <D. Kenson> seconds the motion. **Motion carries 4-1** with **S. McMahon** abstaining to avoid conflict of interest.

ITEM IX: *Discuss and/or vote on adopting Resolution Number 2012-0329-B pertaining to the approval of the sale of the property and buildings located at 34781 S. Mud Springs Rd., Black Canyon City, AZ 85324, and approving Chairperson Marilyn Forsythe and Member-at-Large Jeri Coslett-Muirhead as agents for the Black Canyon Fire District to conduct all negotiations and to execute and submit all documents and any other necessary or desirable instruments in connection with such sale.* <P. Chartier> motions to discuss/and or vote on Resolution 2012-0329-B, <D. Kenson> 2nds the motion. **Motion carries 4-1** with **S. McMahon** abstaining to avoid conflict of interest.

ITEM X: *Discuss the First Draft of Budget Proposal for Fiscal Year 2012/2013.* <Chief> Would like to take a look at the orange paperwork which is the estimated budget for the remaining of this fiscal year, 2011/2012, in order to review what items we may go over budget and which we may go under budget. In Revenue, we anticipate going over in ambulance billing; we are only about 5% off in out-of-district billing for the year and we have already received \$35,000 in Wildland revenue, so we should do well as far as revenue goes. We got a grant for 5 sets of turn-out gear so we are good there. Medical insurance went down which was a positive for us. Some of the areas we will be over on; unemployment and workman's comp. Fuel, oil and lubrication will be over budget as the cost of fuel has gone up .70 since last year. Next fiscal year we will split this line item so we will be able to track costs easier; 6% of the costs this fiscal year was actually oil and lubrication. Since Rock Springs closed their gas station, we have been going to DMFD to get fuel for the engines and found their prices to be lower so that has helped a bit. P. Chartier has done some research and found a commercial fueling station down off Deer Valley Rd. so we are looking into that. Chief is going to contact the new Canon School superintendent next year about splitting the cost of a fuel tank and pump and housing them at the school. He feels that might be beneficial for the school district and BCFD, as well as the community. Still, we have increased the budget for fuel for next fiscal year. General insurance is anticipated to go up next year.

We expect to be over budgeted in Building Repairs and Maintenance. Most of this was due to the move so this estimate might be high. Legal expenses are up; we tried to take care of all the expenses for the new building last fiscal year but it just didn't happen so we had to increase the budget by \$25,000.

Hardware/software – last month was not a good month for computers. Chief “lost” several files. Our IT person spent most of the week trying to install all the updates and discovered the back-up tapes were not working, so had to replace them. Then he found one of the updates was corrupted. We also had to purchase a current version of Adobe. It was purchased so supervisors could work on subordinate performance evaluations, save their work, and be able to open the file at a later date and

continue working on it. There are going to be some area that we will be under-budget as well, some significantly so.

Let's move to the "white" copy, the "Draft of the Proposed 2012/2013 Budget." This by no means is a solid budget. This is the time we look at line items and make changes and that the Board tells us what they would like to see. Chief did not include the possibility of receiving a grant for additional personnel that we may receive next year.

Let's start with revenue first. We already know we have an additional 14% decrease in taxes which brings us to a total decrease of 46% of assessed valuation; (the 14% will result in a deduction of \$74,000 for the Fiscal Year 12/13).

About a month ago there was some discussion about back taxes. Chief spoke with the county and yes, there is a fair amount owed. Eventually those properties will sell and we will receive the money from the back-taxes; we don't know when.

We are planning on increasing the budget for Ambulance Billing. As you can see, we have been exceeding our budgeted amount for quite some time so it is realistic to increase the budget. We are looking into accepting credit cards for ambulance payments and found many fire districts are accepting them now. <D. Kenson> Suggests collaborating with another fire dept. to increase volume and therefore decrease the merchant fees for using credit cards. <E. Caldwell> There appear to be many options out there. Now we just need to determine what will work for us. <Chief> One of the other things we are going to look into is utilizing a "PayPal" type program so people can pay on line at their convenience.

<J. Coslett-Muirhead> Have we looked at how the cost of fuel affects our "Out-of-District" revenue? <P. Chartier> Many companies have added "fuel surcharges" to their bill due to the rising costs of fuel. This is something you can add or delete as the price of fuel dictates. <E. Caldwell> We can add this to the next board meeting to discuss.

<Chief> We are going to go over just those areas highlighted in yellow now as those are the ones we expect a change in. No changes in eliminating holiday or benefits. Public Safety Retirement for the firefighters did go up but as you can see it is actually a decrease because we had over budgeted. Admin retirement has gone up. The pay-per-call for the reserves have been reduced by \$10,000; it is only fair they share in the budget cuts as the full-timers have had to burden the reductions thus far with the loss of a holiday and previously eliminating the District's portion of their HSA.

The unemployment tax and AZ training taxes are increasing as we discussed previously. Workman's Comp was increased again; hopefully we only have one more year before it begins to decrease. Medical, dental and disability will go up but since we previously budgeted it higher it is still a decrease. So overall, for Personnel services we saw a savings of \$22,000.

We will not have to purchase a large amount of turnout gear next year even though we anticipate bringing on an additional 12 reserves. Chief expects fire districts overall to begin hiring this year so we may lose a few people. We will begin our hiring process in July.

Jeri Coslett-Muirhead left the meeting at 7:08PM due to illness.

Small Tools and Equipment was reduced based on this year's expenses. Resources and Training was increased due to the fact we need new training videos. The ones we have are from 1998 so we are due. We won't have this expense in the following year's budget.

As you can see, the Line Item for Fuel, Oil and Lube was split out. By breaking it down, the projections for oil and lube is at a 10% increase with a cost of \$3,400 and fuel at \$31,000, a 20% increase.

The uniform allowance for the full-time firefighters and Chief was decreased by \$100 per person. Also, we don't spend \$1600.00 for shirts each July for the reserves, so that was decreased.

The budget for tires was adjusted up as we will probably have to buy tires for the engine. Janitorial supplies were reduced by \$500. So for Operations, we are seeing a \$16,050 increase and a lot of that is due to fuel prices.

In Admin., postage was increased by \$100 due to the increase in the cost of postage. Telephone service was reduced by \$2,600. AFDA updates are just \$100. The "CLIA" is necessary because we are considered a laboratory. We can't bill Medicare if we don't have the "CLIA" license.

Legal Services was increased by \$25,000 due to the final billing from Kirk. The good news is that we don't have to pay until July. Remember, we do have this in Capital Reserves. It was part of the settlement. That was not in this year's budget so we can't pay him until next fiscal year. He graciously agreed to our sending him a check in July.

Water and standpipe will be increased slightly as we are now charged for the water used to wash trucks. Copy machine maintenance has gone up a bit. Dispatch fees have gone down; that was something we thought would go way up. Background checks, fingerprinting, physicals, TB, and Hep B inoculations will go up next year as we are planning to hire 12 additional people. The Banking Fee line item may go up depending on what we do with credit cards. This is an election year so we had to add those fees.

The Zoll Server is an every-other-year cost and next fiscal year is that year. Contingency fund was brought up \$25,000. Under Administrative the additional costs came up to \$30,102.00.

Under Capital Improvements, the only change was the additional money for the loan payment.

Now we will move into the green sheet. As you can see, that by leaving the tax rate at \$3.00 we will be in trouble by the end of fiscal year 2015/2016. <S. McMahon> If we raise it to our max next year, what would the income be? <Chief> If we were to go to \$3.25 per \$100 secondary assessed value; the increase would be \$46, 958 for the 2012/2013 fiscal year. This is based on the 14% decrease. It appears the decrease in assessed value and the potential increase to \$3.25 would cancel each other out. For the following fiscal year, 2013/2014, we anticipate another 7% decrease, so again, there would be a decrease in assessed values. <S. McMahon> Feels we need to increase the rate now and not wait to offset what we see coming in 2015/2016. <Chief> what do you, as our Board, want us to do? <D. Kenson> Doesn't want to see miniscule changes. It is going to take \$3.25 to make a difference. That kind of increase is livable. <S. McMahon> Has been adamant against increases until now, but as far as she is concerned, we have to do it. <D. Kenson> We don't want to get to the point where our services suffer or we have to lay off personnel. <P. Chartier> Doesn't want to raise taxes but if it has to be it has to be. We have already cut a lot from the budget. <M. Forsythe> The Dept. has done such an outstanding job foreseeing what was going to happen; it could have happened much sooner if it weren't for the expertise of the BCFD Administration. We have to raise the tax rate. <Chief> It is critical that, if this is the direction the Board wants us to go; we must get out there and educate the public. It isn't just us; Daisy Mountain and Mayer are raising their tax rate. It is around the state, even the fire departments with the multimillion dollar budgets. <D. Kenson> People will say the increase will be to pay for the new station. What people don't see is that we have been

adamant about keeping it at \$3.00 for a reason. Unfortunately, the economy has gone to heck in a hand basket and we have to do what we can to keep services and personnel. We can be proactive and let people know where we are fiscally and where we are headed, get the word out in advance so people cannot say, "You never told me." <P. Chartier> Suggests a letter be drawn up to give the Board a guide of what to say so they are all on the same page when they are explaining it to the community. <Chief> We are a looking at a minimum of potentially a 53% decrease. How can any household manage a budget that has had that kind of decrease? < S. McMahon> We will need to get people to realize that even though the market and economy may stabilize, we will still be looking at the same revenues; assessments are usually years two – three years behind.

<Chief> Personally, preparing this budget has been hell.

ITEM XI: *Public Call:* None.

ITEM XII: *Adjournment.* <S. McMahon > motions to adjourn. <D. Kenson>2 seconds the motion. **Motion carries 4 – 0.**

Meeting Adjourned at 7:45PM


Authorized Signature

5/3/12
Date