

**Minutes**  
**Regular Session**  
**FIRE BOARD MEETING**  
**Thursday June 26th , 2014**

(Agenda items may have been taken out of order at the discretion of the Chairman.)

**I. CALL TO ORDER**

Board Chair called the Fire Board Meeting to order on Thursday, June 26<sup>th</sup>, 2014, at 6:06 p.m. at the Fire District Administration Office, 35050 S. Old Black Canyon Highway, Black Canyon City, Arizona.

**II. ROLL CALL OF BOARD MEMBERS / AFFIRMATION OF QUORUM**

Members Present: Board Chair Sharon McMahon, Board Clerk Jeri Coslett-Muirhead arrived at 6:05pm, Board Member Diana Kenson - telephonically, Board Member Jack Artrip, and Board Member William Davis  
Members Absent: None     *Board Chair affirms quorum is present.*

Administrative Staff Present: Chief Birch and Elaine Caldwell.

**III. PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA**

Led by Sherry Birch

**IV. CALL TO THE PUBLIC**

There was no response to the Call to the Public

**V. MINUTES**

A. Discussion & Possible Action – Regular Board Meeting – April 24th, 2014

**Board Member D. Kenson motions to approve the minutes of the April 24<sup>th</sup> Regular Board meeting, J. Artrip seconds the motion.** No discussion

Vote conducted. **MOTIONED CARRIED.**

AYES: McMahon, Coslett-Muirhead, Kenson, Artrip, Davis

NAYS: None

ABSTAIN: None

**VI. FINANCIAL SUMMARY AND REPORTS**

A. Monthly Financial Current Events Summary

E. Caldwell advises that all financial current events will be discussed during line item: *Approval of proposed Fiscal Year budget 2014/2015.*

**VII. CONSENT AGENDA**

A. Approval of the June 2014 Monthly Financial Report:

The Board reviewed the June 2014 Monthly Financial Report; which is attached to the official Fire Board meeting packet.

B. Approval of the June 2014 Ambulance Bookkeeping and Insurance Billing Report

The Board reviewed the June 2014 Ambulance Bookkeeping and Insurance Billing Report; which is attached to the official Fire Board meeting packet.

**J. Coslett-Muirhead motions to approve the Consent Agenda Items A and B. J. Artrip seconds the motion.**

*Public Comment:* None

Vote conducted. **MOTIONED CARRIED.**

AYES: McMahon, Coslett-Muirhead, Kenson and Artrip, Davis

NAYS: None

ABSTAIN: None

## VIII. CURRENT EVENTS SUMMARIES, REPORTS, AND/OR CORRESPONDENCE

(Current Event Summaries are regarding activities of the Fire District and the status and progress relating thereto.)

### A. Fire Chief Report and Current Events Summary for May 2014

Chief Birch reviews the June 2014 Chiefs Report which is attached to the official Fire Board meeting packet.

**Public Comment:** *Public comment/input is welcomed after each agenda item of New and Unfinished Business; Individual comments are limited to three minutes per individual and must pertain to the specific agenda item.*

### **New Business:**

- A. Discussion & Possible Action re: Approval of Workman's Compensation Insurance proposal for Fiscal Year 2014/2015. Open discussion regarding the appearance of a lower annual premium. E. Caldwell advises it is due to no claims for three years and a discount because of this. Fire Department's are now considered high risk and no longer qualify for the premium insurance policy. **D. Kenson motions to approve the Workman's compensation insurance proposal; B. Davis seconds the motion.**

Vote conducted. **MOTIONED CARRIED.**

AYES: McMahon, Kenson, Artrip, Coslett-Muirhead, Davis

NAYS: None

ABSTAIN: None.

- B. Discussion & Possible Action re: Approval of General Insurance proposal for 2014/2015. **B. Davis motions to approve renewal of general insurance policy with Brown and Brown Insurance; D. Kenson seconds the motion.** J. Coslett-Muirhead stated she thoroughly reviewed the package and looks to be in order and recommends that the Fire District renew the policy.

Vote conducted. **MOTIONED CARRIED.**

AYES: McMahon, Kenson, Artrip, Coslett-Muirhead, Davis

NAYS: None

ABSTAIN: None.

- C. Discussion & Possible Action re: Approving an Intergovernmental Agreement (IGA) for Elections Services with Yavapai County. **Jack Artrip motions to approve the IGA for Election Services with Yavapai County; Jeri Coslett-Muirhead seconds the motion.** Chief advised that this is for the up-coming election and that if we end up needing to use there services this is the agreement that we will adhere to. Chief Birch also states that per statute, if the number of candidates equals the number of seats up for election; then those seats will automatically be filled with the candidates and we will not need to utilize the county election services. The County will notify us shortly after the closing date for accepting potential candidate packets.

Vote conducted. **MOTIONED CARRIED**

AYES: McMahan, Kenson, Artrip, Coslett-Muirhead, Davis

NAYS: None

ABSTAIN: None

#### **Unfinished Business:**

- A. Discussion & Possible Action re: Approval of proposed budget for Fiscal Year 2014/2015. Chief Birch advised that he has given the Board a letter from Attorney Whittington outlining all of the changes and requirements for the Board regarding the District's Budget. As the Board knows that our portion of the Transwestern Pipeline reimbursement is \$59,890.88. All taxing entities involved were notified by Yavapai County that they will cut the check as a lump sum and withdraw the funds from the taxing jurisdictions accounts – this will happen no later than November 15, 2014. The reimbursement of these funds will affect our Capital Reserve account and our future. Chief reminded the Board that he advised them last meeting that the District took an unexpected hit to our FDAT revenue. It has always been computed at 20% of Property Tax revenue – but legislation changed the calculation to 15.7% which is a \$26,500.00 decrease this coming fiscal year. This is now a total of 63.3% decrease in revenue over a 5 year period. S. McMahan stated that the Arizona Department of Revenue is the entity that set the tax rate for Transwestern and that Yavapai County just collected for our county. Open discussion ensued regarding other utility law suits, who won – who didn't and the possibility for more. Chief stated for the public's knowledge that we have been using the Capital Reserve Funds to assist the budget until the economy turned around. Chief advised that the District has been cutting back as much as possible over the last several years. We have not filled two vacant firefighter positions and we can't go any lower. If we lose another firefighter position – the ambulance goes away because we will not be able to staff it. If we lose the ambulance then we lose the revenue that pays for the majority of the full-time firefighters. Chief stated that the four year forecast shows that if we do not use the bond – we will be out of money in 2-3 years; and that is not because of anything that we have done wrong – it is because of the down turn of the economy and the laws that have recently passed limiting the amount of revenue that Fire Districts can recoup. This past legislative session a law was passed that no matter how much the assessed valuations increased Fire District's will be limited to a maximum of 5 % increase. This would not have been an issue if we weren't already dealing with a 59% decrease – at this rate it will take us over 10 plus years to reach where we were in 2010. The Chief stated that the District has cut everywhere possible that the District has control of. If you use the Bond it will extend the life of the District an additional 4 – 5 years giving an opportunity for legislation to change. Fire Districts across the state are feeling the effect. As I stated last month Montezuma Rim Rock and Camp Verde are sharing a Chief; Central Yavapai and Chino Valley management agreement goes into effect July 8<sup>th</sup> because Chino is running out of money. I have also heard of some possible joint forces in the Parker area. J. Coslett-Muirhead asks if we use

the Bond this Fiscal Year and the Wildland revenue increases significantly can the Fire Department take the payments over again. Chief Birch stated that he is not sure; but he reminded the Board that the new law requires them to consider discussion and/or studying if a merger or joint power of authority is a viable option for the District when our expenditures exceeds revenue within the next two years. Chief Birch stated that if they chose not to use the Bond then they will need to look at opening discussion and studying what options are available to them by working with a management agreement or merging with another district. If the Board chooses to use the Bond – Chief recommends that un-official discussions occur with other Fire Districts in the event another major financial crisis occurs- he would rather be ahead of the game than behind the eight ball. J. Artrip asked what Fire Districts would be open to discussion. Chief Birch advised that Daisy Mountain Fire District would be one that he would talk with – because of proximity and Central Yavapai due to the possibility of our Legislatures pushing for County Wide Fire Department's. Mayer fire is not an option at this time – they also are having financial issues and will be having discussions with Central Yavapai. J. Coslett-Muirhead asked if any other district has approached us about merging. Chief stated that approximately two years ago that a rumor was flying that Daisy Mountain wanted to take us over, but their Chief then stated no at that time. Chief Birch stated he has had some discussion with the current Chief since we were notified of the 8% decrease and that Daisy's Chief is aware. S. McMahon answer's J. Coslett-Muirhead question regarding the annual payment of the bond – S. McMahon stated she believes the decision can be made annually. S. McMahon does not want to use the bond – she would like to see how much revenue the type 3 brush truck brings in this fiscal year. S. McMahon polls the Board: D. Kenson does not want to consider a merger – if using the Bond will keep us from having to merge then use the bond. D. Kenson stated that using the bond will give us some time to see what legislative actions are coming and what revenue the type 3 brush truck will bring in – we do not have a crystal ball and cannot see into the future. J. Artrip stated he is against using the bond at this time. J. Coslett-Muirhead stated that she does not want to use the bond now, but believes it will be needed in the future. B. Davis does not want to use the bond this year, but believes we need to seriously look into a possible merger; that it appears inevitable, S. McMahon agrees and that the law mandates it. Chief stated again that discussion is only necessary now if the bond is not used this fiscal year. B. Davis asks the Chief; in a merger what changes he foresees coming. Chief stated he does not know – he does know that the Daisy Crew makes more than our crew and runs a 4 man engine crew, so how would they staff here. S. McMahon stated that there are numerous unknown answers, such as; will Black Canyon Fire District have a board member sitting on their board. Chief stated it is unknown at this time what kind of arrangements can be made. It could end up being an Intergovernmental agreement (IGA) for management/administration services- with two separate Boards. It is unknown at this time and if a merger did occur with Daisy they may end up using the Bond. **B. Davis motions to approve the proposed budget for Fiscal Year 2014/2015 as presented with the Fire Department paying the bond payment. J. Coslett-Muirhead seconds the motion**

Vote conducted. **MOTIONED CARRIED**

AYES: McMahon, Artrip, Coslett-Muirhead, Davis

NAYS: D. Kenson

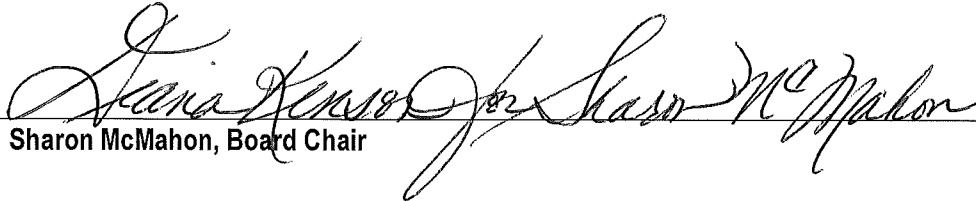
ABSTAIN: None


B. Board Member J. Artrip motions to adjourn the meeting; Board Member D. Kenson seconds the motion to adjourn the meeting; Motion Carried unanimously. The meeting adjourned at 6:56 P.M.

NEXT SCHEDULED BOARD MEETING

July 31st, 2014

Regular Board Meeting

  
Sharon McMahon, Board Chair

 7/31/14  
Date

The complete packet of information from the Board meetings or portions thereof is available from the Administrative Office upon completion of a Public Records Request.

*The Fire District Administrative Office is accessible to the handicapped. In compliance with the Americans with Disabilities Act (ADA), those with special needs, such as large-type face print or other reasonable accommodations may request these through the Fire District of Black Canyon City Administrative Offices (623-374-5512) at least twenty-four hours before the meeting.*

*"Black Canyon Fire Department is an Equal opportunity employer and provider."*