

MINUTES

AVRA VALLEY FIRE DISTRICT REGULAR MEETING OF THE BOARD OF DIRECTORS



Meeting Date: Friday, March 23, 2018
Meeting Time: 8:00 AM
Location: 21021 E. Homestead Drive, Red Rock, AZ 85145

Recording On

- 1) **Call To Order** Chairman Castaneda called the meeting to order at 8:00 AM.
- 2) **Pledge of Allegiance** The *Pledge of Allegiance* was recited by all present.
- 3) **Roll Call** Secretary Palmquist called roll. In attendance:
Chairman Castaneda, Jr. Chief Delfs
Vice-Chairman Bauer Assistant Chief Klein, absent/excused
Clerk Neilson Lorrie Palmquist, Finance/Admin
Director Armendarez, present by phone Counsel Wencker, present by phone
Director Haffner
- 4) **Recognition of Personnel** None.
- 5) **Call To The Public** None.
- 6) **Announcements, Current Events & Correspondence**
 - *Thank You note from a District resident*
 - *Notice regarding November 2018 elections*Chairman Castaneda expressed condolences to the Delfs family for their recent loss of a family member.
- 7) **Review, Discussion and possible Action regarding the following items for consent:**
 - **Minutes from the regular meeting held February 28, 2018**
 - **Minutes from the Executive Session held February 28, 2018**

Clerk Neilson motioned to approve the minutes from both the regular session and the executive session held February 28, 2018. Director Haffner seconded. *Motion carried unanimously, 5:0.*

8) **Chief's Report**

The Fire Chief may update the Board on items of interest relating to but not limited to the following: Response times, vehicles, facilities, labor relations, personnel, finance, grants, communications and/or training. Alternatively, the Fire Chief may provide written comments in the Board Member's packets or by email. The Board Members may ask clarifying questions and they may direct the Chief to place items on future agendas for further discussion or action.

- The construction of the training yard is going very well. Captain Kennedy is taking the lead on the project. The yard has been cleared, graded and gravel has been installed. The firefighters are doing most of the work themselves to put together a creative training yard on a shoestring budget.
- A Driver-Operator Class is currently taking place at the District. This class will provide both State certification and Pima College credit. Chief Delfs is looking forward to teaching next week.
- The District has met all response times.
- We are very pleased with the new ambulance. It is mechanically sound and is a strong addition to our reserve fleet.

9) **Review, Discussion and possible Action to approve the February 2018 Financial Reports and authorize the Chairman and Clerk to sign the Certificate of Review.**

Vice-Chairman Bauer motioned to approve the February 2018 Financial Reports and authorize the Chairman and Clerk to sign the *Certificate of Review*. Clerk Neilson seconded.

Motion carried unanimously, 5:0.

10) **Review, Discussion and possible Action to review the preliminary FY19 Budget and 2-Year Budget**

Chief Delfs addressed the Board explaining that the information which was provided is a preliminary overview of the FY19 Budget and two year projection. He highlighted the following items:

- The budget shell is based on historical data. Because actual revenues and expenditures have been within 3% of prior budgeted projections, we are confident that the projected FY19 figures are just as tight. The budget is becoming more sustainable every year.
- Since FY11, Pima County assessed values have decreased by 21.22% resulting in a total combined assessed value decrease of 18% with a corresponding decrease in tax levy revenue of 16%.
- Tax levies for the current fiscal year were equal to the FY09 levies. Even with the voter-approved tax levy override, the projected FY19 budget will reflect tax levies which only equate to the FY12 levies.
- Ambulance revenue has only increased 2.5% even though the District is implementing the State-allowed automatic rate increases. The District is still experiencing a 55% collectability rate.
- Even though the District has obtained several new fire service subscriptions, the total revenues they will bring in are too immaterial to make a significant impact on our bottom line.
- Please note that we have not planned for capital or travel expenditures. If these expenses arise during the fiscal year, they will be expended from the strategic reserve.
- Last FY17 ended with a strategic reserve carryover amount of \$801,800 largely due to the receipt of the final Pulte distribution and the SAFER grant funds. Although this large carryover helped to mitigate the impact of reduced tax levies during the current fiscal year (FY18), we are anticipating ending the fiscal with a smaller carryover amount of \$650,000. The budget shell shows that this strategic reserve carryover will continue to be depleted during the following budget year.
- Employee Related Expenditures (ERE) make up 80% of the budget, which is normal for a governmental entity. These expenditures are projected to be approximately 3% lower due to significant decreases in overtime hours, grandfathered benefit rates and normal attrition.
- The District has applied for 3.5 million in grants, and we are still awaiting responses.

Chairman Castaneda offered praise and expressed thanks to the team, commenting that recent years of reliable data have significantly helped the Board to make informed decisions.

11) **Reports of Board Members and Staff** **None.**

12) **Future Agenda Items**

13) **Date of Next Board Meeting: Friday, April 27, 2018 at 8:00 AM.**

14) **Adjournment**

Vice-Chairman Bauer motioned to adjourn the meeting. Director Haffner seconded.

Motion carried unanimously, 5:0. Meeting adjourned at 8:40 AM.

Recording Off

SIGNED

DATE

Board Members

Luis Castaneda, Jr. Sara Bauer Eric Neilson Thomas Armendarez James Haffner

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