

**Minutes of a Regular Meeting of the Board of Directors of the Clarkdale Fire District  
Meeting Held February 17, 2011**

A Regular meeting of the Clarkdale Fire District Board of Directors was held on February 17, 2011 at 4:00 p.m. at the Clarkdale Fire District Station #21, 895 First South Street, Clarkdale, Arizona.

Board of Directors:

Jim Elmer, Chairman  
Seth Murphy, Clerk  
Ron Ballatore  
Bill Snyder  
Jerry Brown

Staff:

Joe Moore, Fire Chief  
Joyce Driscoll, Admin. Assistant  
Kenny Turner, Engineer  
Donny Minardi, Firefighter

Others Present: Gerald Shanks.

**CALL TO ORDER.** The meeting was called to order at 4:03 p.m. by Board Chairman Elmer.

**ROLL CALL.** All members were present. A quorum was present.

**MINUTES – Consideration of the minutes of the meeting held January 20, 2011.** Board Clerk Murphy moved to approve the minutes. Boardmember Snyder seconded. The motion passed unanimously.

**CALL TO THE PUBLIC.** No public comment.

Boardmember Snyder moved to change the order of the agenda. Boardmember Ballatore seconded. The motion passed unanimously.

**CONSOLODATION/MERGER – Presentation by Gerald Shanks, Verde Valley Fire District Board Chairman, and discussion regarding long range possibilities of future consolidation, mergers or fire authorities.** Mr. Shanks introduced himself. He stated that he was on the Cornville Fire District Board when they were doing the study to consolidate with Verde Valley Fire District. He stated that back then he had real concerns about creating a larger government agency, however today he feels that it has worked out well for both entities and he is proud to have been a part of it. He talked about some of his background in community service. Mr. Shanks stated that he is trying to be proactive in talking about this. He stated that the budgets will continue to decrease due to the economy. He stated that foreclosures peaked in February and that experts say one in two homeowners will owe more than their house is worth, creating more foreclosures. The foreclosure sales will then compete with new home building. If there is any new growth, Mr. Shanks stated, it will be year 2020 or later. He continued by discussing inflationary growth and that taxing due to inflationary growth is problematic. Mr. Shanks stated that HR2251 signed by the governor will bring down property taxes on businesses with the goal of bringing more businesses into the state. In 2012 the assessment ratio for commercial construction will drop from 21% to 18%. HR22501 was intends

to move the assessment ratio for commercial properties down to the residential rate of 10% which will be accomplished by a reduction of 1% per year. Mr. Shanks stated that this will make the amount that the homeowners pay in taxes increase, even if the tax rate does not change. He said with all of this occurring, he will not be surprised if fire districts start hitting the tax rate cap of 3.25%.

Mr. Shanks stated that in 1996 there was a three year study done; the *Upper Verde Valley emergency Services Consolidation Study Report*. The conclusion was that a consolidation would be best for the citizens, however at the time there was not the legislation that would allow it to happen. He explained that legislation is now being considered to allow a fire authority.

Mr. Shanks went on to explain fire authorities. He stated that each entity retains its same governing board which controls the budget and tax rate. He stated that fire authorities are usually created after tax revolts. He explained that the fire authority acts like a large fire district. He shared a conceptual chart. The largest fire authority is in Orange County, California. He explained that the main savings comes from administrative duties, i.e. one person does payroll for all the districts, rather than each district doing their own.

Another advantage cited by Mr. Shanks was that property tax does not have to be used; the City of Cottonwood could use sales tax to fund their fire department under a fire authority. Each department would retain their own capital reserve account, buildings, etc. He stated that because the fire authority is created through an intergovernmental agreement, a department leave the fire authority if they wish to do so. Policies would be handled by a policy board. Mr. Shanks stated that he feels there would probably not be a cost savings in the first year, however as chiefs and administrative staff leave, or are terminated due to budget restraints, a cost savings would be realized. He stated that how the fire authority is created is very flexible under the proposed law. Discussion followed regarding the possible structure of a local fire authority.

Mr. Shanks stated that one advantage of a fire authority is that the closest unit responds. One of the challenges that came up in the 1996 study was annexation issues. Discussion followed regarding possible challenges some agencies may have to implementing this idea. Board Clerk Murphy observed that the regional communications intergovernmental agreement structure is very similar to that of a fire authority.

Mr. Shanks stated that it is his intention to make this presentation to all the regional fire agencies. He added that he has done a great deal of research and he feels that it would work. Fire authorities are prevalent in California and are becoming more prevalent in other states.

Discussion followed regarding some of the challenges with the merger between Cornville Fire and Verde Rural Fire.

Chairman Elmer stated that a positive he sees with a fire authority is the cost savings of consolidating administrative services. He sees that it would be challenging if one agency decided to be understaffed to save money which would require other agencies to cover their area and incur the costs of doing so. Discussion followed regarding this type of scenario.

Mr. Shanks stated that he is more than happy to discuss this concept with anyone who is interested. He stated that with a fire authority the individual agencies do not lose their Fire District Assistance Tax income. The Board of Directors thanked Mr. Shanks for his presentation.

**FINANCIAL REPORT – Discussion and consideration of the Monthly Financial Report.** Chief Moore stated that the district is 58.33% into the fiscal year and has received 57.68% of its budgeted income. He added that the District has expended 52.01% of the budgeted expenses for the year.

Boardmember Snyder moved to approve the financial report. Boardmember Ballatore seconded. The motion passed unanimously.

## **INFORMATIONAL AND OTHER REPORTS**

### **CHAIRPERSON’S REPORT – A report from the Chairperson on current events.**

Chairman Elmer commented on the recent graffiti damage to Station #22. He thanked all the staff for the reduction in the ISO rating and was glad to see that Allstate reduced the property insurance of all their Clarkdale customers by an average of 30%. Chairperson Elmer was pleased that the paramedic students were doing well and he noted Steve Smith’s promotion from reserve firefighter to full-time firefighter.

Chairman Elmer stated that the district is very frugal. He stated that the personnel do a lot of repairs, etc. in-house and his hope is that the District can still watch the costs and still maintain employees. He gave praised the service of Captain Volk, who left employment on January 31<sup>st</sup>. He stated that Captain Volk had many accomplishments while he was with the District.

**FIRE CHIEF’S REPORT – A report from the Fire Chief on current events.** Chief Moore reported the following:

- Community development happenings.
- The district’s Insurance Services Office (ISO) Property Protection Class (PPC) is divided into three areas: The Yavapai Apache Nation, the area outside the Town limits and the area within the Town limits.
- The Town of Clarkdale and the Chamber of Commerce assisted in getting the word out about the ISO Property Protection Class being lowered.
- A second telephone line was added.
- Service for the cell phone kept in the first-out engine was cancelled, as it was no longer needed. Personnel are using their own cell phones to call the hospital as needed when providing patient care.
- The correct property description was finally recorded and a tax parcel number was issued for property owned by the District.
- Reserve Firefighter Steve Smith was promoted to full-time firefighter.
- Graffiti damage at Station #21 and that the police believe the person responsible is in police custody.

### **SHIFT REPORTS – Written monthly reports by personnel regarding day-to-day**

**operations.** Chairman Elmer noted that repairs were made to the pump system on Engine 211 by a mobile mechanic service that is certified to work on fire engines. Chief Moore explained while working on the system, the mechanic found severe corrosion in the pipes that are part of the recirculation system. These pipes have water in them one-hundred percent of the time. Twenty-two years of corrosion eroded nearly all of the threads on the pipe away.

**ACTIVITY REPORTS – Written monthly reports regarding calls for service.** No discussion.

**MISCELLANEOUS REPORTS AND CORRESPONDENCE – Letters, news articles and other items of interest.** No discussion.

Boardmember Brown moved to change the order of the agenda; moving old business to after the Strategic Planning Worksession. Board Clerk Murphy seconded. The motion passed unanimously.

**TRANSFER OF FUNDS – Discussion and consideration of a resolution to transfer funds to the Capital Reserve and Unfunded Liabilities accounts.** Chief Moore explained that this is the annual permission to move left over funds from fiscal year 2009-2010. Boardmember Snyder moved to pass Resolution #2011-01 transferring funds to the Capital Reserve and Unfunded Liabilities accounts. Boardmember Ballatore seconded. The motion passed unanimously.

**AMBULANCE CON LAWSUIT/LEGISLATION – Discussion of SB 1601 and a recent lawsuit regarding municipalities taking of the Certificates of Necessity (CON) of private ambulance companies and how these could affect service to residents of the district.** Board Clerk Murphy stated that he requested this agenda item to make everyone aware of proposed legislation (SB 1601) and a pending lawsuit in the state which, if successful, would allow cities to take over local ambulance company Certificates of Necessity (CON). It was noted that District has a very good relationship with Verde Valley Ambulance Company and that the City of Cottonwood is interested in taking over the ambulance service for their city and having it run by their fire department.

Chief Moore explained that the proposed bill states that a municipality may take over a CON of a private ambulance company, and if they do, they must provide service for the area five miles around their boundaries. He further explained that the proposed legislation would allow municipalities to do this without cause, i.e. they would not have to prove there is any problems with the existing service being provided. The five mile service area would include the Clarkdale Fire District boundaries and exclude the Town of Jerome.

Board Chairman Elmer discussed the challenges of having an ambulance company administered by a fire department. Boardmember Brown expressed concern that the desire of municipalities for taking over an ambulance company is due to the financial gain. Chairman Elmer was not sure that Verde Valley Ambulance Company could survive if it lost its ability to provide service within the City of Cottonwood. He stated that if this occurs, Jerome would definitely be impacted. Discussion followed of the possible impact to the citizens of Clarkdale, although it was felt that regardless of the outcome, the residents of Clarkdale would have ambulance service

**STRATEGIC PLANNING – A worksession to discuss the future plans for the Fire district, including but not limited to: Equipment replacement, new station construction, finance/budget issues, etc.** The Board discussed the following:

- The vision statement for the District.
- Recent accomplishments:
  - Improved Insurance Services Office (ISO) rating (from a 7/9 to a 5/8b) that will reduce property insurance rates for many Clarkdale property owners.
  - Successful grant applications for a new heart monitor, hazardous materials mitigation equipment and rope rescue gear.
  - Two personnel attending medic school.
  - Work towards changing to narrowband communications which will be required by December 31, 2012.
  - Change to sick leave benefits and addition of Post Employment Health Plan.
  - Hiring of an accountant to conduct periodic reviews.
  - National Incident Management System (NIMS) compliance.
  - Renegotiation of loan terms to lessen the District's financial burden.
  - Change of retirement benefits for reserve personnel.
- Challenges:
  - Economic downturn.
  - 19% decrease in assessed property values for FY11/12.
  - Increases in existing employment benefits, fuel, utilities, communications, etc.
  - National Fire Protection Agency (NFPA) requirements.
- Major Goals
  - New first-out engine
  - New fire station (long term goal - lease ends 2017 for current station but is renewable)
- Other Goals
  - Revise personnel policy.
  - Revise pay structure.
  - Fire Code Amendments.
  - Revise Standard Operating Procedures (SOPs).
  - Utilize social media for public education and emergency notifications.
  - Dispose of unused/unnecessary property (consensus to dispose of Support 221)

Without objection this agenda item was tabled to the next meeting.

**WORKSESSION – A worksession to discuss options for replacing the first-out engine, including financing options and budget challenges.** Discussion included the following:

- Whether or not there is a need for a new engine.
- The possibility of paying-off the loan on the land owned by the District with capital reserve funds.
- Concern over the current economy and the unknown of the future.
- Miles vs. hours and how they impact the wear and tear of the fire engine.
- Concern over corroded pipes that were recently replaced in the engine and concern over what other corrosion may be taking place in the pump system and water tank.
- The current engine is 22 years old, past the normal lifespan for an engine.

Without objection this item was tabled to the next agenda item.

**FUTURE AGENDA ITEMS – A listing of items to be placed on a future agenda.** No items were listed.

**ADJOURNMENT.** With no further business before the Board, the meeting adjourned at 6:55 p.m.

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Jim Elmer, Chairman

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Date

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Seth Murphy, Clerk

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Date