



NORTHWEST FIRE/RESCUE DISTRICT

SERVING RESIDENTS OF THE NORTHWEST FIRE DISTRICT, THE FLOWING WELLS
COMMUNITY AND THE TOWN OF MARANA

ADMINISTRATION/LIFE SAFETY SERVICES 5225 W. MASSINGALE RD. TUCSON AZ 85743

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MINUTES OF THE NORTHWEST FIRE DISTRICT SPECIAL GOVERNING BOARD MEETING April 6, 2010

Call to Order/Roll Call/Affirmation of Quorum

George Carter called the meeting to order at 6:00 p.m. The meeting was held in the Northwest Fire District Training Facility Conference Room, 8165 N. Wade Road, Marana, Arizona.

Present: George Carter, Chairman
Richard Nassi, Vice Chairman
Lee C. Mellor, Clerk
David Talas
Anka Mischel

Absent: None

It was determined a quorum existed with five of five members present.

Salute to the Flag of the United States of America

George Carter led the Pledge of Allegiance.

Presentation of Service Awards

Chief Piechura presented an award to AC Mike Brandt for five years of service.

Public Forum

Kyle Canty, President of Local Union 3572 Northwest Firefighters, 8847 N. Moonfire Dr., Tucson, Arizona, said he had concerns about the proposed budget cuts with the recent requests to the Board such as the new admin building, a new CAD system, the hiring of new personnel including 12 new firefighters, one HR and two IT positions, plus \$60,000 to pave the road to Administration. He said the elimination of Engine 342, the reduction to the RFT program, and reduction of staffing from four personnel to three for up to twelve (12) hours on a fire engine will severely impact the safety of our



community as well as lower pay to the firefighters who risk their lives every day. Mr. Canty asked the Board to scrutinize certain line items proposed in the budget. He said emergency services operations are the most important aspect of the Fire District and asked the Board to not cut any emergency services or pay associated for these services. He said cuts to operations should be a last resort.

James Schuh, 1660 W. Roller Coaster Road, Tucson, Arizona, said in last month's Board Meeting, Mr. Nassi asked a question regarding a contract renewal and was told the bid process would take ninety (90) days. He said that request should have come before the Board ninety days prior rather than asking the Board to make an instant decision. He is concerned about some of the Board members discussing raising taxes when they have not discussed the budget. The taxpayers did not ask Southwest Ambulance to leave. He said the District has experienced good times, and now times are hard and the budget should reasonably come down in some fashion. The District should not expect the taxpayers to take on the load. He said he does not see the District willing to maintain for another year at the current level. He said the District should consider what is happening with other businesses closing and people losing their jobs.

Mary Schuh, 1660 W. Roller Coaster Road, Tucson, Arizona, said that Washington, DC, state and local taxing entities all want more taxes, including Northwest Fire District. She said the taxpayers did not create the loss of Southwest Ambulance contract. As for the Central Services drainage problems, Marana takes no responsibility. She noted that the taxpayers are asked to pave Massingale Road at a cost of \$60,000 but in the CIP it lists \$100,000. If the District owns the road, then it should be closed and used for Northwest specifically. If it does not belong to the District, then we should not pave it. She also commented on a new step program being proposed. When did the Board approve raising taxes? Did the Board approve the town hall meetings, and how will the cost be covered? Since the taxpayers did not cause any debt incurred by the District, they should not be responsible for paying it.

CONSENT AGENDA

Approval of Minutes of the March 23, 2010, Regular Governing Board Meeting and the Minutes of the Executive Session

Proposal to Change the Order of Business in the Governing Board Meeting Agenda Eliminating "Old Business" and "New Business" and Adding One Category, "Business"; Approval to Begin the Process for Amendment of District Bylaws Article V.9 (f) and (g)

Repeal of Resolution No. 2010-012 and Adoption of Resolution No. 2010-014 Authorizing the Issuance of \$10,950,000 of General Obligation Bonds Series 2010; and Authorizing the Chairman, Clerk and Fire Chief to Take All Actions,

Do All Things and Execute All Documents Necessary to Secure, Consummate and Carry out the Bond Sale Agreement. The following Documents which are on File with the Clerk of the District's Board of Directors are to be Approved by this Resolution: Bond Sale Agreement, Tax Certificate, Continuing Disclosure Undertaking, and the District's Official Statement for its Series 2010 Bonds

Discussion and Possible Action on Approval of the Arizona State Land Department Cooperative Fire Rate Agreement for the Intergovernmental Agreement KR 00-0036-LNR-FIR Setting the Rate Structure for All District Apparatus, Equipment and Personnel for Out-of-District Wildland Fire Response

George Carter made the following motion, seconded by Anka Mischel and approved unanimously with five ayes:

Move to approve Items A through D on the April 6, 2010, Consent Agenda with noted correction to Tab 1-A of the Regular Board Meeting Minutes on page 11 in the motion changing the initials of "Im" to Lee C. Mellor and noted correction on page 14 of the Regular Board Meeting Minutes on page 14 in the first motion changing the maker of the motion from Richard Nassi to George Carter.

REPORTS AND CORRESPONDENCE

Finance Director's Reports – This report is a summary of the District's Financial Status including: Monthly Board Financial Report, Monthly Disbursements Report, Revenue and Expenditure Reports, Real Estate Tax Revenue Spreadsheets, Lease-Purchase Escrow Account Status, Monthly Bond Report and Arizona State Land Billing and Payment Reports. The Board will be asked to approve the District's Monthly Disbursements Report

David Gephart said that the Finance Director's Report is for the Board's review and he was available to answer any questions.

Mr. Carter made the following motion, seconded by Lee C. Mellor and approved unanimously with five ayes:

Move to approve the District's monthly disbursement report as presented.

BUSINESS

Discussion, Update and Report about the Meet and Confer Process with Employees of the District; Discussion May Include, but May Not be limited to: Pay Plan Comparison with City of Tucson, Golder Ranch Fire District and Green Valley Fire District; New Seven Step Pay Plan Proposed by Firefighter Union; the District's Current Pay Plan; the Regional Pay Plan Concept; and other Union Proposed Employment-Related Issues, and Estimated Costs of Those Items

Chief Piechura and Eddie Croy, Vice President of Local Union 3572, gave an update of the Meet and Confer process. Union Vice President Croy said that, due to time constraints, he was not able to provide a power point presentation that he had prepared.

In response to Mr. Mellor asking if there are certain items that were dropped, Union Vice President Croy said he would be reviewing those item by item. Ms. Mischel requested that Mr. Croy, as he is reviewing each item, let the Board know if there is a cost to the District. Mr. Croy said the memo contained the cost of each item.

Mr. Croy said the Meet and Confer process was started in August, and a memo went out to all Northwest Fire District employees advising them of the opportunity to participate in the process. He said Local 3572 and Logistics showed an interest. The Meet and Confer meetings began on January 12, 2010, and there have been six meetings. Meet and Confer used the interest-based bargaining model this year and representatives worked together in good faith with effective and productive solutions. When an impasse was reached, the issues went through a Federal mediator, and all agreements and disputes are brought before the Board.

Mr. Croy said the following issues were discussed at Meet and Confer:

PTO (Personal time off): Mr. Croy said the proposal was to change the emergency leave policy to reflect leave counted as PTO that would give an employee an extra day of PTO annually. Ms. Mischel asked if the \$100,000 benefits per year are additional or the current cost to the District. Mr. Croy said the cost is the worst case scenario. Chief Piechura said, if everyone were given an extra day of PTO, the cost is an estimated \$100,000 a year whether it is banked, used or sold back.

Increasing On-Call pay from \$1.00 per hour to \$2.50 per hour: It was decided not to pursue this issue as it conflicted with keeping everyone employed.

Holiday Pay Treated as Time-Worked: The Logistics Meet and Confer group decided to no longer pursue this issue as it conflicted with the goal of keeping everyone employed.

Deferred Retirement Option Plan (DROP): Currently there are three members in the DROP program. Once an employee enters DROP, it is for a period of five years and the employee and employer no longer pay into the PSPRS system. The proposal is that for an employee who is in DROP and wants to contribute to the deferred compensation program, the District will match that amount up to 7.65%. Both labor and management have agreed to pursue this issue. This cost is negligible and the funds are budgeted as PSPRS contributions.

Mr. Talas asked how many employees are eligible to go into the DROP program. Chief Piechura said anyone who has worked 20 years can enter into the DROP system, and there are a number of personnel who are qualified. He said the program would not require additional budget capacity but would reduce the savings of employer contribution for PSPRS members in DROP. When an employee enters into DROP, the employer no longer pays into the retirement system.

Employer Match Deferred Compensation: Mr. Croy said it was decided to not pursue this item very early in the Meet and Confer process.

Reallocation of Tuition Reimbursement Funds to Employee Training: Mr. Croy said that Meet and Confer is not looking for any budgetary increase but a change in the policy giving easier access for funds that are not used for tuition and reallocated for other training needs. They are looking to make sure everyone is trained and highly competent. This will also create training opportunities outside of college classes which will help with recruitment, increase retention and promotional opportunities within the ranks. He said they looked at this with financial stability, sustainability and transparency of the whole program in mind.

Ms. Mischel asked if this will include funds being reallocated for the EMT's to be recertified with a BLS refresher course. Mr. Croy said they are looking at options which will be reflected in a new Standard Operating Procedure.

Cost of Living Increases: In discussions, the intent was to match the current Social Security index, and this reflected a 0% increase. Early in the Meet and Confer process, it was decided not to pursue this issue.

Post-Employment Health Plan (PEHP): Mr. Croy said, early in the Meet and Confer process, it was decided not to pursue this item.

Staffing Model Change: The Union proposed that no more than two suppression employees be off at the same time. The proposal was to fill a position with a same ranking employee rather than acting up; a compromise was struck with management to fill with same rank after two vacancies. He said they want the staffing truck to reflect what the public is being told. This assists with safety with employees who are trained to

fill positions. He said the cost was difficult to define but was estimated at approximately \$35-\$40K.

Special Teams Differential Increase: Mr. Croy said that very early in the Meet and Confer process, this was determined not to be feasible, and it was decided not to pursue this issue.

Union Pay Plan: Mr. Croy said the Seven Step Pay Plan was discussed in great detail. It is comparable to other fire departments. He said discussions led to competitive pay scale, market comparative, keep everyone employed and the impact to the taxpayers. The Union agreed that, if the plan was approved, there would be a reduction in services and personnel. Given the pressures of the economy and other priorities this issue is untenable.

Medical Insurance Premium: Mr. Croy said early on in the Meet and Confer process, all medical insurance would be increasing, and it was recommended that the employee cost increase of about 7% be covered by the District.

Mr. Carter said, although the Board asked for this information, he encouraged the group to continue working together and bring this back in the future.

Ms. Mischel added that it is her opinion that the Union and Management made the right decision considering what is happening with many departments throughout the nation. She agrees that a compensation plan is needed but is not feasible at this time.

Discussion and Possible Action about Board Direction to Staff in the Development of the FY 2010-2011 Budget, including, but not limited to: the Tax Levy, Employee Compensation, the Meet and Confer Process, Increases in Business Expenses and Decreases in Revenue, Current Residential and Commercial Market Impacts, Property Valuation Adjustments for Tax Years 2010-2011, Legislative Property Tax Reform Measures, Projected Payroll and Benefits Expenses, Fund Reserves, and Bond Debt Service; the District's Tax Rate and Budget Priorities may also be Addressed, as well as all Projected Revenues and Expenditures; Staff will Present Information Related to 0% and 4% Tax Levy Increase Budget Options

Chief Piechura said this item is for consideration and direction from the Board. Mr. Gephart said budgets are dynamic processes, and the budget proposal presented is based upon what the District is aware of today considering the state of the economy. He said the Meet and Confer items that were not agreed upon by management and Union were purposely excluded from the budget. He said the budget being presented is status quo with the current year and includes no change in the levy. He said staff is here to answer any questions and is looking for direction from the Board to move forward at the next meeting.

The Board reviewed and discussed the following items:

- Tax rate of an estimated 2.1761 would be needed to maintain \$25 million levy because of the assessed value decrease
- Meet and Confer items are not incorporated into the budget draft
- Cell phone usage, cost for texting, possibly changing service plan
- Use of Blackberries
- Chief's organizational development
- Subscriptions and dues
- Elimination of EMS/Paramedic training
- Eliminating Engine 342

Mr. Talas said the purpose of the District is to provide EMS and fire protection. In response to Mr. Carter's comment that he would not like to see the engines being reduced to 3-person engines, Chief Piechura said it is already happening under the current staffing model. When a firefighter is off for six hours or less, that position is not filled. The SOP change will be for up to 12 hours. Mr. Talas suggested keeping it at six hours. Leave it as operating now.

Chief Piechura said he needs \$1.2 million to balance the budget. He said that half a million is coming from Capital Reserve, another half million in lease options and \$200,000 is still needed in budget cuts. Mr. Gephart said that the proposed budget before them includes Level 1 cuts, and, if there are items that the Board does not want to cut, there needs to be direction by the Board where that money is going to come from, whether it is increased levy, additional cuts in other departments or reducing capital.

Mr. Nassi suggested cutting back on travel and training, professional publications and consultants and those funds be disbursed to other fire and rescue programs. Mr. Carter asked about the expense for professional publications in the IT Department. AC Kahle said this item is needed for professional certifications for IT personnel so the technicians can maintain their skills for the services they provide to the District.

Chief Piechura asked the Board to give him a figure for additional cuts, and he can determine where the cuts can best be made. The more training is cut, the more it affects leadership level programs that we have which helps to keep personnel professionally trained. He said the budget has been reduced by 60% in the last three years. Mr. Mellor said that the Board is included in travel and training.

Mr. Nassi said rather than go line by line, he made the following recommendations to staff for consideration at reducing the budget:

- No levy increase

- No layoffs or furloughs
- Freeze any vacant positions
- Reduce travel and training
- Reduce organizational development
- Reduce professional dues, publications
- No outside consultants for operating budget
- Keep Engine 342 as much as possible

Ms. Mischel added that she would like the ALS refresher course to remain in the budget. Chief Piechura said the ALS refresher course costs the District about \$75,000; this expense was previously funded by Southwest Ambulance.

In response to Mr. Carter asking about Human Resources and Administration costs such as copying and duplicating, postage and legal advertising expenses, Ms. Hackenbracht said that almost all postage and shipping expenses for the District are funded in the Administration budget. Mailings may include Fed Ex, UPS and mail sent by other departments. The legal advertising budget includes running legal ads for bids, annexations, budget and the election. She later noted the Board and Local Pension Board expenses are budgeted in Administration.

Upon discussion Ms. Aguilar agreed to reduce the HR budget as follows:

Job and legal advertising	\$10,000
Testing and background services	\$10,000
Evaluation and recruitment	zero out

In response to Ms. Mischel asking about restructuring, Chief Piechura said the District's current organizational structure was predicated upon growth. A number of organizations across the nation are offering early retirement packages. If the District decides to restructure, the Board may be asked to consider potential early retirement buy outs. Mr. Carter said that may be an option since the District is not growing any longer.

Chief Piechura said the District has a base hospital contract with Northwest Hospital and is funded in the consultant line. Ms. Hackenbracht said the Local Pension Board must do medical reviews for disability retirements, and the District is required by law to pay the Local Pension Board's expenses. Mr. Mellor said he is the Chair of the Local Pension Board and concurred with Ms. Hackenbracht about this need.

In response to Mr. Carter asking about the CAP Program, Chief Piechura said the CAP budget covers one full-time person and one who is on military leave. Mr. Carter asked if any portion of this program can be cut. Chief said one person cannot be laid off because they are federally protected by law. The community would suffer a loss in support as would the rescue companies. Cynthia Dowdall addressed the Board and said

that the idea of CAP came from a firefighter. She said firefighters would stay with victims until Victim Witness arrived and that would take up to a couple of hours. Firefighters are relieved when CAP arrives. CAP works face-to-face with the community and does follow-up and works with the elderly. There are Pay it Forward gift cards that are given to individuals who have suffered a loss of possessions or their home. She said there are things they do that go unnoticed.

Ms. Mischel said that the service Ms. Dowdall and her team provide is very important to the District.

Ms. Mischel asked about the town hall meetings. She said she is very interested to know the public's opinion. In response to Ms. Mischel asking if the District has looked into capital cuts, Chief Piechura said the capital fund is taking a one million dollar loss. The proposed budget includes two fire engines now on order, microwave links, communication equipment, defibrillators and thermal imaging cameras (replacements).

Chief Piechura asked the Board for clarity in direction for the budget, his understanding is that they are requesting staff to balance the budget and save Life Safety Services, Operations and Emergency Services; the Board concurred.

Mr. Carter said direction from the Board is to incorporate into the Budget the Meet and Confer items that were agreed upon which are as follows:

- Additional PTO day
- DROP/PSPRS
- Reallocation of tuition
- Staffing Model
- Medical insurance premium increase to be covered by the District

Chief Piechura asked for a consensus from the Board, and all five members agreed to the above items. These items will be included in the Budget draft that will be presented to the Board at the April 27th meeting.

Discussion and Possible Action about the Receipt of the Rillito Boundary Change Impact Statement and Setting an Annexation Hearing Concerning Property Located West of I-10 and North of Avra Valley Road, Pima County, Arizona; Possible Discussion Concerning the Character of the Property, the Impact of bringing it into the District, and the Annexation Process

Georgeann Hackenbracht said the District was contacted by residents in the Rillito area asking to be annexed into the District. Rural Metro was servicing the area but has advised a property owner of its intent to discontinue service. There are about 75 properties, and they would be serviced by Station 36, with Station 34 as second due.

Ms. Mischel recused herself from consideration of this item and left the dias at 8:02 p.m.

Mr. Nassi made the following motion, seconded by Mr. Mellor and approved unanimously with four ayes:

Move to receive the Rillito Annexation Boundary Change Impact Statement and schedule the annexation hearing on Tuesday April 27, 2010, at 6:00 p.m. at the Northwest Fire District Training Facility; further, authorize staff to take the steps necessary to begin the annexation process.

Ms. Mischel returned to the meeting at 8:05.

Adoption of Resolution No. 2010-015 Authorizing an Intergovernmental Agreement with Pima County/Pima County Health Department for Participation in the Childhood Immunization Services Program, including Paramedic Services in the Provision and Administration of Childhood Immunizations

BC Bradley said this is a renewal with Pima County Health Department to continue immunization services. Pima County Health Department provides an umbrella for the District in terms of medical direction, and they have provided immunizations for the District's personnel.

Mr. Carter made the following motion, seconded by Mr. Nassi and approved unanimously with five ayes:

Move to adopt Resolution No 2010-015 approving the Intergovernmental Agreement with Pima County/Pima County Health Department authorizing the District's participation in the Childhood Immunization Services Program, including paramedic services in the provision and administration of childhood immunizations.

Adoption of Resolution No. 2010-016 Approving an Intergovernmental Agreement for Professional Services between the Tohono O'odham Nation and Northwest Fire District to Perform Fuel Reduction and Vegetation Removal Services on the Kitt Peak Mountain Range, and Approving all Costs and Expenses Associated Therewith

BC Hughes said this is a new agreement that the District has been negotiating with the Tohono O'odham Nation for about a year. The agreement covers a crew rate totaling \$121,000 which comes to about twenty-one (21) days of work based on eight (8) hour work days. The Nation is considering adding on another week with the potential of

making this an annual recurring agreement if they continue receiving money from the Bureau of Indian Affairs.

Mr. Carter made the following motion, seconded by Mr. Talas and approved unanimously with five ayes:

Move to adopt Resolution No. 2010-016 approving the Inter-governmental Agreement with the Tohono O'odham Nation for the Ironwood Hotshots to conduct fuels reduction and vegetation removal on Kitt Peak.

The Board recessed at 8:06 and reconvened at 8:18 p.m.

Executive Session, Pursuant to A.R.S. 38-431.03 (A)(3) & (4), for Discussion and Consultation with the Governing Board's Attorney for Legal Advice regarding the Next Agenda Item

Mr. Carter said the Board would be going into Executive Session and invited Chief Piechura, Division Chief West, Assistant Chief Kahle, Attorney Thomas Benavidez and Administrative Services Director Hackenbracht.

Mr. Mellor made the following motion, seconded by Mr. Talas and approved unanimously with five ayes:

Move to go into an Executive Session, Pursuant to A.R.S. 38-431.03 (A)(3) & (4), for discussion and consultation with the Governing Board's attorney for legal advice regarding the next agenda item which is discussion and possible action about the Process and Issues with Obtaining Domestic and Fire Protection Water Service.

The Board went into Executive Session at 8:20 p.m. The meeting reconvened at 8:46 p.m.

Discussion and Possible Action about the Process and Issues with Obtaining Domestic and Fire Protection Water Service for the Proposed Central Services Campus; Discussion and Possible Action to Approve the Amendment to the Existing Construction Contract (RFQ No. 0706) with Sundt Construction to Construct Phase I of the Central Services Campus in the Amount of \$6,925,076 that includes Alternate 1, Outdoor Dirty Classroom, Contingent upon the Sale of Series C Bonds; Discussion and Consideration may also include the Proposed Paving of Massingale Road in Front of the Administration Facility

DC West reported the amendment to the Sundt contract has a 30-day window, and the District has until April 28 to give Sundt the Notice to Proceed with the construction. At the end of that time with agreement from both parties, there may possibly be an option to extend another 30 days.

The second issue is the City of Tucson has not issued a "Will to Serve" letter committing to provide water service for the Central Services Campus which is delaying the project.

The third issue is \$60,000 for roadway improvement on Massingale. As of today, AC Kahle talked with the neighbors, and they are not willing to help pay for the paving. The concept was to include the paving project under the Sundt contract to take advantage of Sundt resources working at the Central Services Campus thus cutting the cost of the project. The paving would improve safety for ingress and egress at the Administration facility. The roadway project would be funded from contingency not bond funds.

Mr. Nassi made the following motion, seconded by Mr. Carter and approved unanimously with five ayes:

Move to approve the amendment to the existing construction contract (RFQ No. 0706) with Sundt Construction to construct Phase I of the Central Services Campus in the amount of \$6,925,076 that includes Alternate 1, Outdoor Dirty Classroom; direct staff to prepare a letter to the Mayor of the City of Tucson indicating our concerns and needs for this particular project; not approve the \$60,000 from the contingency fund for the paving of Massingale.

FUTURE AGENDA ITEMS

Future Agenda Items [A Governing Board Member may bring forth general topics for a future meeting agenda. The Governing Board may not discuss, deliberate or take any action on the topics presented, pursuant to A.R.S. § 38-431.02 (H).]

Mr. Nassi said he would like the following items on a future Agenda:

1. Explore the comment made by Mr. Huckelberry regarding the Mt. Lemmon Fire District about adopting the local rescue ordinance which would allow the District to charge all visitors for any medical services received regardless whether they are transported or not;
2. Review to make sure we are covering all of our out-of-District expenses as fully as possible; and
3. That any out-of-District calls have a minimum 2 hours call out for emergencies.

Adjournment

Mr. Carter made the following motion, seconded by Mr. Nassi and approved unanimously with five ayes:

Move to adjourn the Special Governing Board Meeting of the Northwest Fire District at 8:53 p.m.

Minutes approved by the Northwest Fire District Board at its April 27, 2010, Regular Governing Board Meeting.



Lee C. Mellor
Clerk of the Board