



# NORTHWEST FIRE/RESCUE DISTRICT

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

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## MINUTES OF THE NORTHWEST FIRE DISTRICT SPECIAL GOVERNING BOARD MEETING February 8, 2011

### Call to Order/Roll Call/Affirmation of Quorum

Vice Chairman Nassi 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:** Richard Nassi, Vice Chairman  
Bruce A. Kaplan, Clerk  
Anka Mischel  
Bill Daniell

**Absent:** George Carter, Chairman (excused)

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

### Salute to the Flag of the United States of America

The Pledge of Allegiance was led by Richard Nassi.

### Presentation of Service Awards

No awards were presented at this time.

### Public Forum

Kyle Canty, President of Local Union 3572, was present to answer any questions.

### CONSENT AGENDA

#### Approval of Minutes of the January 25, 2010, Regular Governing Board Meeting and the Minutes of the Executive Session

Richard Nassi made the following motion, seconded by Bill Daniell and approved unanimously with four eyes:



Move to approve the minutes of the January 25, Regular Governing Board Meeting with a noted correction changing the spelling of the name "Maze" to "Mayes" on page 3 of 10, second paragraph, fifth line.

## **BUSINESS**

**Discussion and Possible Action to Approve the District Group Employee Benefits to Include: Renewing Medical with United HealthCare, Changing Dental Carriers from Ameritas to Delta, Going Fully Self-Insured with Dental, Changing Vision Carriers from AlwaysCare to VSP, Going Fully Self-Insured with Vision, Renewing Hartford Basic Accidental Death, Disability, and Dismemberment (AD&D), Eliminating AD&D Coverage for Volunteers Since Covered By Workers' Compensation, Renewing Cigna Voluntary Accidental Death, Disability, Dismemberment, Renewing Cigna Short Term Disability, Renewing Cigna Basic Life and Increase the Coverage from \$10,000 to \$50,000, Renewing Cigna Voluntary Life, Renewing Cigna Voluntary Accidental Death, and Dismemberment, Going Fully Self-Insured with Long Term Disability, Changing of Supplemental Insurance Carriers from Aflac to Unum, to be Effective April 1, 2011 through March 31, 2012**

Patricia Aguilar reported that the Benefits Committee met with the insurance brokers and evaluated the new group employee insurance benefits and the flexible spending account and were in favor of the proposed benefits packages and changes. The Leadership Team also reviewed the new benefits and met with representatives; Ms. Aguilar stated that no commissions will be paid to the new company which is a cost savings to the District and employees; she discussed the following:

- United Health Care has been retained with savings in administrative and stop loss cost slightly over \$145,000.
- Dental will change from Ameritas to Delta Dental and be self-funded by the District; there will be a cap of \$1,500 per employee per year.
- Delta Dental offers an optional child orthodontia rider.
- Vision will be self-insured and will change from AlwaysCare to VSP that has broader group carriers.
  - VSP is the only company currently affiliated with Costco; to be effective July 1.
  - Last year's claims were \$7,000 – the District paid over \$20,000 in premiums to AlwaysCare.
- Renewal with Hartford for basic accidental death, disability and dismemberment (AD&D); a discount will be received for workers' compensation
- Basic life insurance coverage will increase from \$10,000 to \$50,000; there will not be additional costs to the employee.
- Short-term disability is 100% sponsored by NWFD.

- Long-term disability will be self-insured and will only cover suppression employees; non-suppression employees will continue to be covered through the Arizona State Retirement System.
- Supplemental insurances will change from Aflac to Unum; their rates are also without commission and lower premiums.

Richard Nassi made the following motion, seconded by Bill Daniell and approved unanimously with four ayes:

Move to approve the proposed renewals and changes in carriers of core, ancillary and supplemental group employee insurance benefits listed below in items 1 through 5, and the transition to self-insured for dental, vision and long term disability, to be effective April 01, 2011 through March 31, 2012.

1. Renewal with United Healthcare medical, changing from Ameritas to Delta Dental, going fully self-insured with dental, changing from AlwaysCare to VSP for vision, and going fully self-insured with vision.
2. Renewal with Cigna to include: basic life with an increase of coverage from \$10,000 to \$50,000, voluntary life, voluntary accidental death, dismemberment, and disability, and short term disability.
3. Long term disability to be fully self-insured.
4. District group employee benefit renewal with Hartford for basic accidental death, disability, and dismemberment (AD&D), and eliminate AD&D coverage for volunteers since covered by workers' compensation.
5. Changing of supplemental insurances from Aflac to Unum.

During discussion of the motion, general discussion pursued that total costs savings could not be calculated until insurance claims were known, and the District would be responsible for any benefit cost increases.

**Discussion and Possible Action to Approve the B.A.S.I.C. FLEX Program and Enter Into an Agreement with Basic Western USA to Offer Northwest Fire District Full-Time Employees a Medical Reimbursement Account with a District Determined Calendar Year Cap of \$2,500; and, also Covers Dependent Care Expenses, which has an Internal Revenue Service Calendar Year Cap of \$5,000 for Married Filing Joint Employees and an Internal Revenue Service Calendar Year Cap of \$2,500 for Married Filing Separate Employees, as an Optional Benefit for Eligible Northwest Fire District Employees, to be Effective April 1, 2011**

Patricia Aguilar explained that this is an additional program offered by Valley Schools at no charge, and employees have the option to choose if they want to participate by pledging a certain amount of funds at the beginning of the calendar year that would be deducted from each paycheck. Ms. Aguilar discussed the following areas of the flexible spending account (FSA):

- The employee would not pay federal, Social Security or state taxes on the pretax funds.
- The program offers medical reimbursement for dental, vision and dependent care expenses.
- The IRS has placed calendar year caps for dependent care expenses at \$2,500 if you are married and filing separately and \$5,000 if you are married and filing jointly.
- Money must be in the FSA in order to be withdrawn for dependent care but not for medical, dental or vision reimbursement.
- The IRS does not regulate medical reimbursement; recommendation is to set the calendar year cap at \$2,500.
- A reminder would be sent to any employee having remaining funds that needed to be used by the end of the calendar year or those funds would remain with the District. The District cannot rebate the funds to the employee that were left unused at the end of the calendar year.

Richard Nassi made the following motion, seconded by Anka Mischel and approved unanimously with four ayes:

Move to approve the B.A.S.I.C. FLEX Program, and enter into an agreement with Basic Western USA, to be effective April 1, 2011.

**Overview, Discussion and Possible Action on Draft 2011-2012 Baseline Budget Package and Secondary Assessed Values for Tax Year 2011-2012 Abstract from the Pima County Assessor's Office; Possible General Fund and Capital Fund Additions to the Draft Baseline Budget; Any and All District Revenues and Expenses May Be Discussed and Acted Upon; the 2011-2012 Budget Process May also be Discussed; the Draft Budget's Potential Impact on the District's Tax Rate May also be Discussed; Advantages and Disadvantages of Any Budget Options Will also be Discussed; Proposed Timing of Capital Expenses May also be Discussed**

David Gephart presented an overview of the baseline budget and anticipates a deficit next year. Possible consideration might be given to restructuring the budget which is a result of:

- Paying full costs this year for staffing Station 39 with 12 firefighters last year
- Unknown costs for employees who participated in the Separation Incentive Plan (SIP) last year because the number of participants were not known at that time
- Costs for PTO balances that were paid out because of the SIP and absorbed in this current budget

- Unpaid taxes associated with foreclosures
- Increased costs in materials and services that included office equipment, utilities, fuel, operational supplies and vehicle maintenance

Mr. Gephart noted that reserves are solid, and the exact deficit amount would not be known until September or October. He emphasized that if the levy was decreased, programs and employees would need to be cut. This issue was discussed amongst the Board members who felt they did not want to have any such cuts.

Mr. Gephart noted that the draft baseline budget was predicated upon no new programs being added, no new capital projects or new positions and represents holding the operating tax levy at its current level of slightly over \$25 million. He discussed Form LB-20 (Resources, General Fund) that was provided in the packet and remarked that changes could be made as the budget process continued. There was discussion that a Bill is currently before the legislature regarding placing a cap on the FDAT of \$300,000.

Bill Daniell requested that staff assess their budgets and review any areas that could possibly provide reduced costs. Chief Piechura discussed the internal decreases that have already taken place by managers over the past three years in their departmental budgets including no employee pay increases.

Anka Mischel commented about the tragic incident that occurred on January 8 and the high level of services provided. She did not want service levels comprised because of additional departmental budget decreases.

Richard Nassi made the following motion, seconded by Bruce Kaplan and approved with three ayes; Anka Mischel voted nay:

Move to approve we request staff to identify non-critical areas to be cut, at the 2.5% level or 5% level, at the department levels, materials and services, keeping existing programs and personnel.

Richard Nassi made the following motion; the motion died for lack of a second:

In starting the budget process, keep the operating tax levy at its current level.

## **FUTURE AGENDA ITEMS**

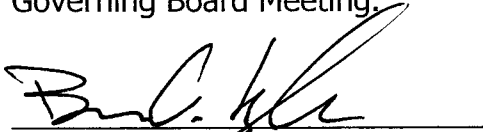
**Future Agenda Items [A Governing Board Member may bring forth general topics for a future meeting agenda. The Governing Board may not discuss, deliberate or take any action on the topics presented, pursuant to A.R.S. § 38-431.02 (H).]**

## **ADJOURNMENT**

Richard Nassi made the following motion, seconded by Bill Daniell and approved unanimously with four ayes:

Move to adjourn the meeting at 7:51 p.m.

Minutes approved by the Northwest Fire District Board at its February 22, 2011, Regular Governing Board Meeting.

A handwritten signature in black ink, appearing to read "Bruce A. Kaplan", written over a horizontal line.

Bruce A. Kaplan  
Clerk of the Board