Ponderosa Fire District (PFD) Governing Board

Regular Board Meeting Minutes
Wednesday, January 16, 2019

At location PFD Station #82
11951 W. Shadow Mountain Dr., Bellemont, AZ 86015

Handout .5.a.

1. **CALL TO ORDER/ROLL CALL** – Vice-Chairman Carey McDonald called the regular board meeting to order at 6:00 pm.

   Present –
   Carey McDonald, Vice-Chairman
   Ryan McKay, Clerk
   Julie Mabry, Member
   Mark Christian, Member

   Absent –
   Marina Mitchell, Board Chairman

   Lee Antonides, Fire Chief
   Kristy Kennedy, Office Manager
   Kevin Stephens, CPA with Stephens & Company, LLC.

2. **PLEDGE OF ALLEGIANCE** – Lead by Vice-Chairman McDonald.

3. **INTRODUCTION OR PRESENTATIONS** – None.

4. **CALL TO THE PUBLIC** – None.

5. **APPROVAL OF MINUTES -**
   a. **Approval of regular board meeting minutes for Tuesday, December 18, 2018.** – Stand approved as written.

6. **FINANCIAL REPORTS -**
   a. **Discussion and possible action regarding financial reports ending December 31, 2018.** *(Kevin Stephens, CPA)*
   Discussion: Kevin Stephens introduced himself and explained why he focuses on certain statements and documents in his presentation to help the Board become more familiar with the particular financials of the district. He explained the Statement of Net Assets as of December 31, 2018. He stated the department is halfway into this fiscal budget year and shows good tax revenue for the last two months.

   Mr. Stephens presented the schedule of budget for the one- and two-month period in this fiscal year and continued with explaining the different line items in the budget such as Expenses, Operations, Other Services and Charges and stated that typically the Expenses and Operations are the most significant components of the PFD Budget. He spoke about the projections for the next fiscal year and how important it is to stay with the projected budget. He stated that the district is relatively on track at this point with the budget.

   Chief Antonides asked Mr. Stephens about the depreciation regarding the buildings. Chief asked how the depreciation of Station 82 affects the expansion, if and when the department obtains the addition to the building.

   Mr. Stephens explained that generally accepted is 40 years for buildings. He stated that based on the estimation of the cost of the addition, such as $500,000.00 and treat that portion as new

building and depreciate or divide that over 40 years. Mr. Stephens stated that his company crew met with Chief and PFD Staff and had a productive discussion regarding processing and improvements and hoped to receive feedback from both sides.

Action: Member Mabry moved to approve item 6.a. financial reports ending December 31, 2018. Clerk McKay seconded the motion; vote was unanimous.

b. **Discussion and possible action regarding engagement letter with Stephens & Company, LLC.** *(Kevin Stephens, CPA)*
Discussion: Kevin Stephens stated that there is an exciting change in the firm and the decision was made to move away or separate from the larger firm of HintonBurdick. Mr. Stephens stated that his partner and he decided to go back to their own firm effective January 1, 2019, and will become Stephens & Company, LLC.

Mr. Stephens provided the board members with a new Engagement Letter that explains the scope of agreement, firm and client responsibilities, level of service and required fees of $1,800., per month. Mr. Stephens explained that the services provided and standard operating procedures are not changing other than the fees for services provided. Mr. Stephens stated that he has been working with the Ponderosa Fire District for approximately 12 years and in that time overall they have raised their fees approximately 3% on Average per year. He stated he was happy to field any questions that the chief or board may have.

Chief Antonides stated that he appreciated Mr. Stephens being willing to discuss the new fees and negotiating with the PFD Board on that point.

Action: Member Christian moved to approve item 6.b. regarding engagement letter with Stephens & Company, LLC dated 12/11/2018. Clerk McKay seconded the motion; vote was unanimous.

7. **OLD BUSINESS –**
a. Discussion and possible action regarding PFD Financials being handled in-house. *(Chief Antonides)*
Discussion: Chief Antonides stated we should remove this item from the agenda until such time as staffing knowledge and level has changed. He stated that given the current staffing level it would not be a fiscally responsible decision to handle the financials ourselves at this time. Chief stated that we can have the discussion occasionally however; the district is compliant and covered with the services provided by Stephens & Company. The PFD Board agreed.

Action: Vice-Chairman made motion to move this discussion item to the PFD Strategic Planning Committee to be included with the planning and development of the strategic plan. Clerk McKay seconded the motion; vote was unanimous.

8. **CHIEF'S SUMMARY AND REPORTS –**
a. **Annual number of calls to-date and incident reports (response update).** Handout 8.a. *(Chief Antonides)*
Discussion: Chief Antonides asked the board members if they had any questions with the summary and report that he sent to them.

Chief Antonides stated for the Board that the annual number of calls to-date is up 8% from last year. Last year at this time there were 308 calls for service in 2018, and this year 2019 there have been 333 requests for service. He stated that this year to date the department has had 11 requests

for service, which is nearly once per day. He stated that from January 2017 through December 2018, call volume has increased by 5.5% and 8% increase this last year, so the district is consistently receiving increased demand for service. Chief Antonides stated that he can go over the maps and explain where the proposed developments are intended to be, to give the Board a better perspective of the growth potential for the Bellemont area.

Clerk McKay asked Chief about the status of the contract with the Naval Observatory.

Chief Antonides stated that he has been in contact with the Naval Facility Region 3 in El Centro California. He talked with their Region Fire Chief and their Contract person and he had to explain to them and justify the reasons for the amount of the contract and explained the services provided for the requested $39,000 per year. When Chief explained to them the details regarding Fire Marshal duties, inspections, response to calls, etc., Chief said they understood and were more receptive. Chief also reminded them that if there was a major incident that required mutual aid that everyone individually would be billing them separately for their services. Chief stated that the department is waiting to hear back from them after that discussion.

Vice-Chairman McDonald asked Chief where the Hubble Development is going and wanted to state that it appears the development is in fact in the response area of the Ponderosa Fire District.

Chief Antonides stated that was affirmative and the County informed him that the County cannot force them to annex into the fire district but the property owner can annex into the district if they choose to.

Vice-Chairman McDonald expressed concerns with the fact that the fire department will respond to an area, that may or may not have a subscription for service or might annex into the district at some unknown time, and the department does not get paid for the services they provide.

Chief Antonides stated that the County will suggest or recommend to the property owner that it may be in the property owner's best interest to annex into the district. Chief agreed with the Vice-Chairman and stated he has the same concern which is why Kristy will be working on annexations and reaching out to the community during the strategic planning meetings.

The Chief's Report is also available to the District Board and the public for review prior to and at the board meetings.

9. **NEW BUSINESS –**

a. **Discussion regarding upcoming 2019-2020 fiscal year budget workshop.** *(Chief Antonides)*
Discussion: Chief Antonides asked the Board if they would like the department to conduct the budget workshops as they did last year as opposed to forming a special committee. Last year the department had several workshops where other Captains, firemen and staff that handle projects attend and discuss the status of those. Chief stated that it seemed to go smoothly last year and the Board members agreed and expressed that they liked attending and felt that it went smoothly last year as well.

b. **Discussion regarding possible PFD Mil Rate adjustment.** *(Chairman Mitchell)*
Discussion: Chief Antonides asked the Board if they would table this discussion until Chairman Mitchell is in attendance. The Board agreed.

c. **Discussion regarding PFD accounting practices and account payables.** *(Vice-Chairman McDonald)*
Discussion: Vice-Chairman McDonald stated that he was satisfied with the previous discussions during this meeting.

d. **Discussion and possible action regarding the formation of a Strategic Planning Committee and meeting schedule.** *(Chief Antonides)*
Discussion: Chief Antonides stated that the Board needs to vote on forming a Strategic Planning Committee and what type of meeting schedule they would like to have. Chief Antonides stated that it is our goal to have a one, three, five, and 15 year plan and complete the one year plan as soon as possible and incorporate the addition of our Station 82 in that plan. Ms. Kennedy stated what positions make up the typical committee and those being the Fire Chief, a couple Board members, a couple Staff members and community members. Chief Antonides stated that Ms. Hudman would be involved as well when she can.

Chief Antonides stated that ideally the department would like to break ground on the new addition next spring of 2020. He asked the Board to keep that in mind when discussing the one year strategic plan and to incorporate that in the plan or the department cannot allocate those funds to that project. He stated that the Capital fund expenditures should be discussed and integrated in the plan. Vice-Chairman McDonald volunteered to be on the Strategic Planning Committee and members Mabry and Clerk McKay stated they would be back up positions if needed.

Action: Clerk McKay made motion to form a strategic planning committee with Carey McDonald as the PFD Board representative. Member Mabry seconded the motion; vote was unanimous.

e. **Discussion and possible action regarding adoption of the 2018 International Fire Code to be consistent with Coconino County.** *(Chief Antonides)*
Discussion: Chief Antonides stated that the County has postponed their adoption of a new code to an unknown date and he is still waiting for a direction from the State Fire Marshal's office as to the future of the delegation agreements. Chief recommended tabling this item until further notice.

Action: Vice-Chairman made motion to table item 9.e. until Chief has new information from either the County or the State Fire Marshal. Clerk McKay seconded; vote was unanimous.

f. **Discussion and possible action regarding amending the current PFD Fee Schedule and permitting process.** *(Chief Antonides)*
Discussion: Chief Antonides stated that he received a letter from the State Fire Marshal's office indicating that they are reorganizing and have rescinded all agreements with multiple fire districts until new agreements can be made.

Action: Vice-Chairman made motion to table item 9.f. until Chief has new information from either the County or the State Fire Marshal. Clerk McKay seconded; vote was unanimous.

10. **EXECUTIVE SESSION** – *The Board may vote to go into an Executive Session on any agenda item, which will not be open to the public, pursuant to A.R.S. § 38-431.03(A)(3).*

11. **ADJOURNMENT** – There being no further business to discuss, the regular session of the Ponderosa Fire District Board of Directors held on January 16, 2018, adjourned at 6:57 p.m.

Ryan McKay, Board Clerk

**Minutes prepared by Kristy Kennedy, Office Manager for Ponderosa Fire District.*