



Ponderosa Fire District (PFD)
STRATEGIC PLANNING COMMITTEE
Meeting Minutes
Thursday, February 20, 2020

At location PFD Station #81
1511 Spring Valley Road, Parks, AZ 86018

Handout 2.a.

1. **CALL TO ORDER/ROLL CALL** – Chief Antonides called the regular Strategic Planning Committee meeting to order at 5:05 pm.

Present –

Lee Antonides, Fire Chief
Carey McDonald, PFD Vice-Chairman
Ron Shultz, Community Member
Kent Ofstie, Assistant Fire Chief
Michael Thorp, PFD Firefighter
Kristy Seifert, Office Manager

Absent -

None

2. **WORK SESSION** –

- a. **Review of regular SPC meeting minutes of Thursday, Nov 21, 2019.**

Discussion: Chief Antonides asked the members if they had any questions and if they had a chance to review the minutes from the last meeting. There were no questions or concerns stated from the Strategic Planning members.

Action: Board Member McDonald moved to accept the minutes of Nov 21, 2019. Firefighter Thorp seconded the motion; motion passed unanimously.

- b. **Review and approve revised SPC meeting schedule.**

Discussion: Chief Antonides informed the committee that there was one adjustment to the SPC meeting schedule to accommodate the budget hearings and to comply with the posting notice for the proposed 2-year plan. The committee members had no concerns with the proposed meeting schedule.

Action: Board Member McDonald moved to approve the revised SPC meeting schedule. Member Shultz seconded the motion; motion passed unanimously.

- c. **Discussion and possible action regarding 2-year Strategic Plan.**

Discussion: Chief Antonides asked the committee members if they had a chance to review the proposed 2-year plan and if they had any questions or suggestions. Member Shultz stated that he didn't have any questions.

Chief Antonides discussed with the committee goal 4 strategy 4.1, starting fiscal year 21 that 50% of all incoming wildland assignment revenue, minus costs and vehicle maintenance, would be deposited into the capital account. Currently, however, money goes into the general fund first and then it can be transferred. Chief discussed that historically wildland funds were used to pay bills. Chief Antonides asked the committee if the intent is to utilize the wildland money to help pay bills and then transfer 50% remaining into the capital, since all funds go into the capital account one way or another at the end of the year. Chief Antonides clarified that what the department does not use from wildland revenue, is already being put into the capital fund at the end of the fiscal year.

Chief Antonides asked the committee if they still want to dedicate 50% to capital as soon as it

comes in or does the committee just want to continue with the way things are being done, where all funds roll over to Capital at the end of the fiscal year.

Assistant Chief Ofstie asked what the positives or negatives would be if they kept doing it the same or dedicated the money once it came in. Chief Antonides replied that it saves the time it takes to transfer money back and forth. Chief Antonides stated it would be a positive to keep doing things the same way by having a buffer for those items that were either not budgeted for or over budget on. A negative would be losing the potential to use that additional money for unforeseen purchases.

Member Shultz stated that it seems as though the 50% ties your hands. Chief Antonides shared that concern.

Vice-Chairman McDonald asked when there is a surplus in the operating fund at the end of the fiscal year, where does that go. Chief replied that it rolls into the capital fund. Chief asked if the members want to take 4.1 out or would they need to reword it to something else.

Member Shultz stated that his concern would be, that if they don't have it in the plan for 50%, are they going to end up taking out a few dollars here and there and end up with very little money towards buying equipment. Chief Antonides stated that it could be simple enough to reword it to say; any remaining wildland funds at the end of the fiscal year will be rolled over into the capital replacement account. Chief stated that he is working on a good way to break things down so we can have a better tracking system of what comes in and what goes out when it comes to wildland assignments.

Assistant Chief Ofstie asked what the positive would be with doing the 50% on any funds that come in, after we pay our costs for the assignments. Chief Antonides stated that we would absolutely know what we have going directly into the capital account, however his concern is that would tie their hands in some respects to be able to purchase an unforeseen item.

Vice-Chairman McDonald stated that the unforeseen can happen sometimes. His concern is having the paper trail so the Board can answer any questions in terms of where the money goes and how it was used. Vice-Chairman McDonald stated that having a reserve or contingency fund should be standard operation procedure. Chief Antonides replied that it is. Chief Antonides stated that the Board approves or denies the utilization of the contingency fund for large dollar purchases.

Member Shultz stated that if the language is kept, it would keep us focused on maintaining the allocation and if something else really important comes up, the board can decide to pull the money out of contingency in an emergency.

Assistant Chief Ofstie stated that if the department takes 50% of the profit, and 20% goes into general fund for maintenance, the department would still have 20-25% of the money coming in that could go to unforeseen expenditures, correct. Chief Antonides replied yes but it depends on how much we are paying out.

Vice-Chairman McDonald stated he would like a certain amount of transparency on this down the road. He stated when the Board moves money from one pot to the other, there is a record of it, there is no question, and it shows a conscious decision.

Chief Antonides stated based off the discussions we've had regarding wildland revenue, it is something that the department is trying to forecast and track better in the coming fiscal year. Chief Antonides discussed that strategy 4.2 coincides with strategy 4.1 in that wildland money is not

guaranteed but that a .03 or .05 cent mil rate increase, that would be allocated to capital replacement, would be secured funds.

Member Shultz specified that his position would be that some money should come from wildland fire assignments and go into capital replacement, whether its 50% or 10%. Chief Antonides agreed.

Member Shultz suggested to drop it from 50% to 30% and leave more money for contingency. Assistant Chief Ofstie agreed. Chief Antonides indicated he would rather it be 20%, to offer a better buffer in times of a slow wildland season. Member Shultz asked for clarification if that means rewording 4.1 to say 20%. Chief Antonides replied yes.

Chief Antonides suggested tabling strategy 4.1 until he has a better cost breakdown this year, and they can look at addressing that next update for the Strategic Plan. Member Shultz suggested that it really boils down to what percentage of whatever we have coming in, is going to the “replacement” account. Chief Antonides replied yes.

Chief Antonides suggested that once the committee decides what that percentage may or may not be, they need to vote to make the change, so it can be submitted to the board for approval. Keep in mind that staff took the one-year plan and updated the information of what we already accomplished within that plan and forecasted it out to a two-year plan. Strategies 4.1 and 4.2 were the two items that carried over that did not get resolved at the last strategic planning committee meeting.

Vice-Chairman McDonald suggested 30% for the capital fund. He clarified that the department would have 20% for maintenance, 30% for the capital fund, and you’re looking at half or 50% that you can keep in the operating fund to cover the unforeseen. He stated that putting some money away for replacement is appropriate. Member Shultz stated he could support that.

Vice-Chairman McDonald recommended to have 30% of wildland assignment revenue set aside for vehicle replacement leaving 20% remaining for maintenance and 50% staying in operating fund. There were no other comments or questions from the committee members.

Action: Vice-Chairman McDonald moved to approve item 2.c. regarding the 2-year Strategic Plan including strategy 4.1 to read; Starting FY21, 30% of all incoming wildland assignment revenue, minus costs and vehicle maintenance deduction, will be deposited into the capital fund account for capital replacement expenditures. Member Shultz seconded the motion. Motion passed with a 4 to 1 vote with Chief Antonides voting in opposition to the motion.

d. Discussion and possible action regarding proposed amendment of strategy 4.2 of the FY21 Strategic Plan to include a permanent budget allocation specifically for firefighting apparatus.

Discussion: Chief Antonides discussed strategy 4.2 that starting FY 21, to propose a mil rate increase specifically to allocate either .03 cents or .05 cents, to be determined by this committee and recommended to the board, to be set aside for replacement of a Type 1 Engine. Those funds specifically would go directly into the capital replacement account for a type 1 engine.

Member Shultz asked how far below the maximum mil rate are we at right now. Chief Antonides replied they are at 3.08 and they cap at 3.25. Chief Antonides indicated that he has expressed to the board in the past that he does not want to cap out the mil rate. He stated that the department needs that cushion, in any catastrophic event, to be able to start taxing to make up that difference.

Vice-Chairman asked if the County Treasurer would take that over. He clarified and asked when the money comes in, the five-cent mil rate goes straight into the capital fund. Chief Antonides replied that is a question he would have to ask the County Treasurer.

Chief Antonides recommended that they agree to a five cent increase because that gives a guaranteed funding source to come in for the capital replacement costs. Committee Members agreed.

Vice-Chairman McDonald asked if this would be an ongoing thing or permanent allocation. Chief Antonides replied yes, until the Board changes their mind or votes another direction. There were no other questions or comments from the committee members on this item.

Action: Vice-Chairman McDonald made motion to approve item 2.d. regarding amending strategy 4.2 to read; Starting FY21, propose a mil rate increase specifically to allocate .05 cents to be set aside for replacement of a Type 1 Engine. Assistant Chief Ofstie seconded the motion. Motion passed unanimously.

e. Discussion and update regarding status of FY20 Strategic Plan Goals and Strategies.

Discussion: Chief Antonides asked the committee if they were satisfied with the proposed two-year plan. Committee members agreed. Chief Antonides asked if there was anything else the committee would like to discuss.

Chief Antonides asked for a member to make a motion regarding adopting the proposed two-year plan with discussed changes to strategies 4.1 and 4.2 and sending it forward to the Board.

Action: Member Shultz made motion to approve item 2.e. regarding adoption of the proposed two-year plan with discussed changes to strategies 4.1 and 4.2 and forward to the Board for Approval. Vice-Chairman McDonald seconded the motion. Motion passed unanimously.

3. ADJOURNMENT – Member McDonald moved to adjourn. Member Thorp seconded the motion. There being no further business to discuss, the PFD Strategic Planning Committee meeting held on Feb 20, 2020, adjourned at 5:48 p.m.

Assignments:

Goal 1 – Chief Antonides / Admin Staff -

Goal 2 – Chief Antonides -Contractor Loven Contracting is selected.

Goal 3 – Chief Antonides / Assistant Chief Ofstie - Construction updates are ongoing.

Goal 4 – Chief Antonides / Finance Staff - Capital replacement

Goal 5 – Chief Antonides - Cond UP won't be completed until the spring and they gave us a verbal to use it since we are in process and rezone our props to Public Use.

Goal 6 – Chief Antonides / Assistant Chief Ofstie - Planning process is ongoing for replacement of type 1 apparatus.

Goal 7 – Assistant Chief Ofstie / Captain Pugh – Determine specs and costs of SCBA's and whether there is grant funds for SCBA's.