



NORTHWEST FIRE DISTRICT

Our Mission is to Save Lives, Protect Property, and Care for Our Community

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Governing Board Regular Meeting Minutes March 26, 2024

1. Call to Order / Roll Call / Affirmation of Quorum

Present: George Carter, Chairman
Bruce Kaplan, Board Member
Peg Green, Clerk
Cyndell West, Vice Chair
Dave Talas, Board Member

2. Pledge of Allegiance

Chairman Carter led the Pledge of Allegiance to the Flag.

3. Presentation of Awards

4. Public Forum

Speakers are limited to a three-minute oral presentation and may submit written comments of any length for Governing Board files. Those wishing to address the Governing Board should complete a Citizen Information Card prior to the meeting being called to order. The Governing Board is required under law to accept any materials presented. At the conclusion of the public forum, individual Board Members may respond to criticism made by those individuals who have addressed the Governing Board and may ask staff to review a matter and place it on a future agenda. However, Board Members may not discuss or take action on a matter raised during a call to the public, that is not already on the agenda, and are not obligated to comment upon materials or presentations made by the public.

No members of the public requested to speak.

5. Consent Agenda

The Consent Agenda contains items which might require action by the Board, but which are generally routine items not requiring Board discussion. Usually, a single motion will approve all items on the Consent Agenda, including any resolutions. However, a Board Member may remove any item from the Consent Agenda, and that item will be discussed and voted upon separately.

Approval of Consent Agenda

A. Approval of the Minutes of the February 27, 2024, Regular Governing Board Meeting

MOVE TO APPROVE ITEMS A-H ON THE MARCH 2024 CONSENT AGENDA

Motioned by Chairman George Carter, seconded by Board Member Bruce Kaplan

Vote: 5 – 0

- B. Approval of the Minutes of the March 13, 2024, Governing Board Budget Study Session

MOVE TO APPROVE ITEMS A-H ON THE MARCH 2024 CONSENT AGENDA

Motioned by Chairman George Carter, seconded by Board Member Bruce Kaplan

Vote: 5 – 0

- C. Adoption of Resolution No. 2024-005 Ordering the Pedata Family Revocable Trust Annexation, Pursuant to A.R.S. Section 48-262(I); the Annexation Area is Located at 13300 N Wild Burro Rd (Parcel 218-44-047A) and is North of Moore Road and West of Tortolita Road in Marana, Pima County, Arizona

MOVE TO APPROVE ITEMS A-H ON THE MARCH 2024 CONSENT AGENDA

Motioned by Chairman George Carter, seconded by Board Member Bruce Kaplan

Vote: 5 – 0

- D. Adoption of Resolution No. 2024-007 Ordering the TKC Marana, LLC Annexation, Pursuant to A.R.S. Section 48-262(I); the Annexation Area is Located at 9171 W Tangerine Rd (Parcel 218-49-006D) and is North of Tangerine Farms Road and Southeast of Mandarin Boulevard in Marana, Pima County, Arizona

MOVE TO APPROVE ITEMS A-H ON THE MARCH 2024 CONSENT AGENDA

Motioned by Chairman George Carter, seconded by Board Member Bruce Kaplan

Vote: 5 – 0

- E. Adoption of Resolution No. 2024-006 Approving the Retroactive Submittal of a Grant Application to the Federal Emergency Management Agency's (FEMA) Assistance to Firefighters Grant (AFG) Program for Funding to Purchase and Replace 123 Sets of Wildland Personal Protective Equipment (PPE) Coats and Pants in the Amount of \$103,467.60

MOVE TO APPROVE ITEMS A-H ON THE MARCH 2024 CONSENT AGENDA

Motioned by Chairman George Carter, seconded by Board Member Bruce Kaplan

Vote: 5 – 0

- F. Informational Update Regarding the Status of a Grant Application Submitted to the Water Infrastructure Finance Authority of Arizona for Funding to Purchase a Pump-Pod Direct Recirculating Apparatus Firefighting Training Sustainability Unit (DRAFTS) in the Amount of \$119,262.16

MOVE TO APPROVE ITEMS A-H ON THE MARCH 2024 CONSENT AGENDA

Motioned by Chairman George Carter, seconded by Board Member Bruce Kaplan

Vote: 5 – 0

- G. Approval of Painting Projects at Stations 331 and 338 in the Amount of \$62,541

MOVE TO APPROVE ITEMS A-H ON THE MARCH 2024 CONSENT AGENDA

Motioned by Chairman George Carter, seconded by Board Member Bruce Kaplan

Vote: 5 – 0

- H. Approval of the First Amendment to the Contract for Services with GovInvest, Inc. to Add the Compensation Module in the Amount of \$70,500 for a Term of Three Years to Be Paid Annually in the Amount of \$23,500 and a One-Time Implementation Fee of \$5,000

MOVE TO APPROVE ITEMS A-H ON THE MARCH 2024 CONSENT AGENDA

Motioned by Chairman George Carter, seconded by Board Member Bruce Kaplan

Vote: 5 – 0

6. **Fire Chief's Report**

Chief Bradley stated that reports were included in the packet and staff was available to answer questions. There were no questions.

Board Vice Chair, Cyndell West, advised that she worked at Oro Valley Hospital and that her Chief Nursing Officer (CNO) emailed her stating that she had an amazing experience with Northwest Fire District during a personal incident on March 23, 2024. West summarized the email which described that the care given by Northwest Fire District was professional and compassionate. The email also recognized Community Assistance Program Team Member, Josie Morgan, who stayed with the family for several hours and provided kind and compassionate care to the family. Chief Bradley thanked West for relaying the praises from the CNO.

- A. Fire Chief's Board Report
- B. Essential Services Board Report
- C. Operational Services Board Report
- D. Human Resource Services Board Report
- E. Administration Services Board Report

7. **Financial Reports**

- A. Financial Reports

Business Services Director, Kim Sotomayor, greeted the Board and presented the financial reports for the period ending February 2024. She stated that general fund expenses were \$30 million compared to \$25 million in February of 2023. She reported that general fund revenues through February 2024 were \$31.5 million compared to \$26.8 million in February of 2023. Sotomayor reported that property tax collections through February were \$26.5 million, compared to \$24.9 million the previous year, both 61% of expected budget. Ambulance revenues were \$2.1 million, 25% of which was for services prior to July 1st. Sotomayor reported that pooled cash was in balance, all fund balances were positive, bank statements were reconciled, and the check report was attached for approval. She made herself available for questions. There were no questions.

MOVE TO APPROVE THE DISTRICT'S FEBRUARY 2024 DISBURSEMENT REPORT AS PRESENTED

Motioned by Chairman George Carter, seconded by Vice Chair Cyndell West

Vote: 5 – 0

8. **Business**

A. Presentation on District Annexation Activity from 2020-2023

Assistant Chief of Administration Services, Scott Hamblen, greeted the Board for a presentation on District annexation activity from 2020-2023. Hamblen stated that throughout the years, the District had done a phenomenal job of annexing properties that were within the District's response area and continued that practice as the District grew. Hamblen noted that the dollar amounts on each slide were not necessarily indicative of current revenue to the District as the amounts were representative of the tax value at the time of annexation versus after the property was developed.

Hamblen gave an overview of how to read the maps in the presentation. He explained that the blue dotted line indicated a response area, not a jurisdictional boundary, noting that it was representative of areas accessible by the District's apparatus and typically skirted federal/state land or land dedicated for response by other fire service entities. Hamblen noted that there would be a disparity between the total number of annexations and the total number of parcels since some annexations contained multiple parcels.

Hamblen displayed the first map which demonstrated a total of 19 annexations and 155 acres in 2020. Hamblen then displayed the map for 2021 which showed a significant amount of property annexed on the east side of Interstate 10 and Twin Peaks, an area that would continue to see growth. Hamblen noted that 2021 carried a total of 28 new annexations and 478 acres.

Hamblen showed the map for 2022 which showed a total of 29 annexations and 203 parcels. He advised that the map continued to show the growth in the Dove Mountain area, but also skirted state land. Hamblen explained that the areas which remained unannexed year-over-year typically remained as such unless a change of ownership happened. Hamblen displayed the map for 2023 and noted that a large section in Dove Mountain was annexed as well as the northern part of Marana. Lastly, Hamblen displayed the parcels eligible for annexation in the future. He referenced the map to show the portions of the District's response area that were state or federal land and thus ineligible for annexation. Hamblen pointed out the recently approved annexation of the Maverick gas station at Tangerine and Interstate 10. Hamblen made himself available for questions.

Chairman Carter asked for clarification on whether the tax value displayed was representative of the current tax value or valuation at the time of annexation. Hamblen answered that the tax value displayed was at the time of annexation.

Member Kaplan conveyed his appreciation for the presentation. He asked if the tax values would increase over time. Hamblen replied that the values would increase, with the largest increase within the first couple of years. Kaplan remarked on the "cookie cutter" style of the response area and while he understood it, he found it peculiar. Chief Bradley noted that the response area did not always coincide with jurisdictional boundaries. He added that through the years, standard practice had evolved wherein if an area was not covered by another fire service entity *and* was in an area the District was the closest and most appropriate responding agency, the District would respond. Chief Bradley stated that there was an agreement with the Town of Marana that the District would respond to all areas of Marana that were reasonably accessible and not covered by another fire district. Chief Bradley added that, by statute, if the District responded to an area that was outside of jurisdictional boundaries, it was required to bill for the services rendered. As part of the annexation strategy, Chief Bradley stated that the District would send the bill for services but offer to waive the bill in lieu of annexation which met the mission of the District while also complying with legal and financial liabilities. He stated that certain properties could not be annexed since they did not lie alongside any existing jurisdictional boundary. Chief Bradley explained that to mitigate that, the District would attempt to annex roadways, a strategy had been successful with the Town of Marana and Pima County. Member Kaplan thanked Chief Hamblen for the presentation and commented that it was exactly what he was looking for.

Board Vice Chair West asked if the District would need to build future stations to counterbalance the amount of new future annexations. Chief Hamblen replied that future station buildout was a

current consideration in the Capital Improvement Program. Chief Bradley added that land had already been purchased for a new station at Twin Peaks and Interstate 10 and that Station 341, at Tangerine and Interstate-10 currently responded to calls in that area, but as development in the area continued, the District would address it accordingly.

B. Discussion and Possible Action to Adopt Amendments to the District's Bylaws

Thomas Benavidez, attorney for the District, explained that the Bylaws were unchanged from the previous meeting and that he had not received any additional suggestions, nor did he recommend any additional changes to the Bylaws and recommended adoption.

MOVE TO ADOPT THE BYLAW AMENDMENTS AS PRESENTED

Motioned by Chairman George Carter, seconded by Board Member Dave Talas

Vote: 5 – 0

C. Additional Information Requested from the March 13, 2024, Budget Study Session with the Governing Board Including the Potential Impacts of Changes to the District's Property Tax Rate

Kim Sotomayor, Business Services Director, greeted the Board to present the tax rate presentation which demonstrated the potential impacts of changes to the District's tax rate. Sotomayor stated that the current proposed budget was based off a static combined tax rate in which the District would increase the operating rate by the same amount the bond rate was decreasing and direct the associated revenue to a reserve for asset maintenance.

Sotomayor displayed a list of items that were considered in the current budget process and the costs associated with each. Chief Bradley gave background on the thought process behind developing the budget and how prioritization occurred and reviewed each item.

Chief Bradley stated that the current proposed budget met the needs of each division while also maintaining fiscal responsibility and staying conservative on the tax rate. He added that while the static combined tax rate strategy allocated funds into a reserve, if needs changed and facility issues needed to be addressed sooner, there would be funds available.

Sotomayor reviewed the impact to median residential property owners for each additional cent on the tax rate and the gross revenue to the District. Chief Bradley reminded the Board that once the tentative budget was approved by the Board, the levy could not be increased from that, only decreased. He asked whether the Board was supportive of the static combined rate approach. Chief Bradley noted that management had been engaged with Local 3572 in the Meet and Confer process for many months. He explained that the FY23/24 budget partially addressed market adjustments for all personnel, but as promised during the FY23/24 budget process, the FY24/25 budget had to complete the remaining market adjustments. Chief Bradley noted that the current proposed budget included a 2% market adjustment on top of the annual step increase, but any higher increase would require a tax rate increase, and therefore would require direction from the Board.

Local 3572 President, Michael Schindler, greeted the Board to give feedback and insight from the perspective of Local 3572. Schindler stated that pay rate was an essential factor in recruiting new firefighters when competing alongside the other fire services agencies in Southern Arizona. Schindler asked that the Board consider a 3% market adjustment rather than the 2% currently proposed along with the step increase which would result in a 5% cumulative increase. Along with the market adjustment, Schindler stated that he would also prefer to enter into a two-year Memorandum of Understanding (MOU) wherein no adjustments to the MOU would be requested during those two years. Schindler remarked that he believed the 3% increase was completely doable, but also felt that a 4-5% increase on top of the annual step increase was also feasible. He felt that the District had to address the rising cost of living as well as employee retention and felt that pay-rate was a large factor in both. Chief Bradley noted that the additional 1% that was being asked by Local 3572 equated to a \$.02 increase on the tax rate, approximately \$330,000 of revenue per percent increase. Chief Bradley explained that the net

effect of the increase would be a \$.02 increase to the combined rate.

Chairman Carter clarified that a \$.02 increase to the tax rate resulted in an additional 1% raise, whereas a \$.04 increase resulted in an additional 2% raise. He directed a question to Schindler and asked if the District was comparable to other fire services entities in Southern Arizona. Schindler explained that all three agencies in Southern Arizona were auto-aid partners and that the District led in auto-aid and was thought to be one of the best EMS providers in the state. It was Schindler's belief that GRFD and Tucson Fire Department (TFD) would utilize the District's pay plan to their own benefit. It was his concern that the District would lose its members to pay scale differences between the agencies. Chief Bradley stated that all three agencies in Southern Arizona were currently engaged in the Meet and Confer process and he felt that the other agencies would also complete market adjustments, but to an unknown degree.

Chairman Carter stated that if there was a tax rate increase, other budget requests needed to be captured alongside the market adjustment. He asked how a \$0.05 increase would look if it was split between the payroll requests and budget requests. Sotomayor referred to the line-item list of reductions and stated that it was structured in terms of priority, however it would be looked at in closer detail and re-prioritized should the tax rate be increased. Chief Bradley felt that column lifts and building upgrades would most likely be the top priorities, but priorities could change over time. He felt that it was best practice to allocate the increased revenue to a reserve so that facility needs could be addressed based off urgency. Chairman Carter agreed.

Chairman Carter referred to the slide demonstrating the potential impacts to median residential property owners and stated that an \$.08 tax rate increase would generate enough revenue to address the top four budget requests whereas a tax rate increase of \$.06 would address a market adjustment of 2% for Local 3572, plus generate additional revenue for asset maintenance.

Board Clerk Green stated that she was unsure if she could be a proponent for that type of increase. Chairman Carter stated that it was important to consider the budget requests alongside the current budget capacity.

Member Kaplan voiced concern over the impact on the taxpayers. He added that the same inflationary pressures that affected the District affected the taxpayers and raising the tax rate would intensify those impacts. Kaplan stated that he was in favor of the static combined rate and that if he could, he would issue a 10% raise across the board, but he had to be mindful of the taxpayers.

Clerk Green asked about the two-year "no ask" MOU and whether it included the benefit portion of compensation as well as the monetary portion of compensation. Chief Bradley stated that benefits were included in the MOU so outside of the annual step increase, there would be no additional changes to the MOU for two years. Schindler added that with the market adjustment and step increases, members would know that the District wasn't behind, and members wouldn't feel the need to have multiple jobs to feel financially comfortable. Chief Bradley added that the two-year MOU agreement was a huge benefit to management and was fully supportive of it.

Member Talas felt that setting the tax rate was one of the hardest decisions for the Board and that it was essential to consider its impact on the public. He agreed that the District led by example and conveyed that the Board was fully supportive of the organization and its members. He stated that while he loved the idea of the static combined rate, he felt it was necessary to raise the rate slightly.

Chairman Carter stated that he was originally championing a \$0.06 increase in which \$.02 would be allocated for existing budget requests and \$.04 would be allocated to the Labor market adjustment. He voiced concern over the rising costs and felt that it would only continue.

Carter stated that raising the tax rate had to address more than the market adjustment alone. He stated that he wanted to continue the static combined rate while also increasing the combined tax rate \$0.06, a net increase to the operating rate of \$0.08. Chairman Carter asked for feedback from each member of the Board.

Clerk Green stated that she was not in support of the \$0.06 increase to the combined tax rate. She asked for clarification on a \$0.02 increase to the combined tax rate. It was her understanding that a \$0.02 increase would address the additional 1% market adjustment for Local 3572, while the static combined tax rate strategy would also allocate \$0.02 into a reserve for various asset maintenance. Chairman Carter and Chief Bradley confirmed. Clerk Green advocated for an increase of \$.02 on the combined tax rate.

Member Talas conveyed his appreciation to staff for preparing the budget thus far. He voiced concern over future years' budgets against the current economy. He stated that he was in support of a \$0.04 increase to the combined tax rate rather than a \$0.06 increase.

Member Kaplan stated that the list of reduced budget requests was typical of any budget process and the market adjustment did not play a substantial role in those reductions. Kaplan was not in favor of any additional increase to the combined tax rate and wanted to maintain the static combined rate.

Vice Chair West restated that the current proposed budget addressed a 2% market adjustment for Labor and that to appease Labor, an additional 1% raise was needed which would require a \$0.02 increase to the combined tax rate. Chief Bradley confirmed. West was in support of a \$0.04 increase to the combined tax rate to appease Local 3572, engage in a two-year MOU, and address asset maintenance.

Chairman Carter asked that with a \$0.04 increase to the combined tax rate, \$0.03 be allocated to Labor for the market adjustment and \$0.01 be allocated to maintenance and operations for the District. Chief Bradley asked Chairman Carter whether the \$0.04 increase was in addition to the \$0.02 gained from using the static combined rate strategy and thus have a net effect of a \$0.06 operating rate increase. Chairman Carter confirmed. Chief Bradley clarified that Chairman Carter was requesting \$0.03 be directed to Local 3572 which would result in an additional 1.5% market adjustment, or cumulatively 3.5%, rather than the original 1%, or cumulative 3%, Local 3572 requested. Chairman Carter answered in the affirmative.

Chairman Carter clarified the additional 0.5% market adjustment for Local 3572. He explained that Local 3572 had originally asked for an additional 2%, or \$.04, and that he was directing \$0.03 to Labor and \$0.01 to the District. Member Kaplan questioned the original ask and whether it was 1% or 2%. Chief Bradley clarified that the tentative budget included a 2% market adjustment and Local 3572 was asking for an additional 1% on top of the 2%. Chairman Carter interjected that he was proposing an additional 1.5% increase, equivalent to \$.03 on the tax rate.

Member Kaplan asked for clarification on how the bond rate decreased. Chief Bradley stated that the bond rate automatically adjusted as debt expired and that it was equivalent to a \$.02 reduction for FY24/25. He explained that through the static combined rate approach, the \$0.02 would be added to the operating rate, but result in a net neutral impact to the community.

Chairman Carter checked for understanding from the Board and stated that the majority was in favor of a \$.04 increase to the tax rate. He summarized each Board member's preference and gave direction to staff to draft the tentative budget based on a \$0.04 increase to the combined tax rate wherein \$0.01 would be directed to the District for maintenance and operations and \$0.03 allocated to Labor for an additions 1.5% market adjustment.

9. **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).

10. **Adjournment**

MOVE TO ADJOURN THE MEETING AT 7:31PM

Motioned by Chairman George Carter, seconded by Board Member Bruce Kaplan

Vote: 5 – 0

Peg Green
Board Clerk

Two Board Briefing Books containing material related to the Board Meeting are available for public review the day before and the day of the Board Meeting during office hours at the Administration Building located at 13535 N. Marana Main Street, Marana, Arizona 85653 – (520) 887-1010. The two Board Briefing Books are also available for public review at the Board Meetings.

The Northwest Fire District Board may vote to go into Executive Session on any agenda item pursuant to ARS §38-431.03 (A)(3) for discussion and consultation for legal advice with the Fire District Attorney on the matter(s) as set forth in the agenda item. Pursuant to Board Policy, from time to time, it might be necessary for a Board Member to attend a Board meeting via speakerphone.

The Northwest Fire District Administration Building is accessible to persons with disabilities. In compliance with the Americans with Disabilities Act (ADA), those persons with special needs, such as large-type face print or other reasonable accommodations, may request those through Heather Robey, by calling 887-1010, ext. 2929, before the meeting.

Posted_____