

Minutes approved at the Regular meeting of the Board on August 15, 2011.

**Minutes to the regular meeting of the Board of Directors of the Sonoita-Elgin Fire District
15 July 2011**

Call to Order

Pledge of Allegiance

Roll Call – Izzo, Ruppel, Bianchi and Pfitzenmaier present; Tomlinson absent.

Izzo – Lets begin with the presentation of the Budget by Chief DeWolf.

DeWolf – Chief DeWolf reviewed the major items and changes in the proposed Budget.

Pfitzenmaier – I would like to make a motion which if seconded will then be followed by discussion. I move that the SEFD Board adopt the 2011-2012 Operating Budget based on a total revenue requirement of \$1070412 as briefed by Chief DeWolf at the July 15, 2011 SEFD Board Meeting.

Ruppel – I'd second that.

Izzo – Discussion?

Bianchi – I'd like to make some comments on that if I may?

Pfitzenmaier – May I precede you, Jerry, as having put the motion on the floor?

Bianchi – Sure, go ahead.

Pfitzenmaier – I have met with the Chief on numerous occasions to discuss several alternative budgets, this being one of them, this being the one that I favor. I believe I'm correct that other Board members have met with the Chief separately, we have not met as a quorum to discuss this budget. This is the first time we are doing that. This is a no-growth budget – the revenue as presented in this budget is less than last year's budgeted revenue and it's considerably less than the revenue proposed in the posted budget which you all saw several months ago. If the county sticks by their assessed values for all properties within the SEFD (and by the way that won't happen, that is a moving target. The number association with the assessed value moves as they are challenged and changed – but that number doesn't move all that far) if that number were to remain the same the budget in front of you and the budget I'm discussing would have a tax levy rate of \$1.52. We will not know, if this budget or any budget were to pass, we will not know what the final tax levy rate is until the final Santa Cruz County Budget is determined and published in mid-August. All that to say that this \$1.52 could drift, but it's not going to drift very far. Most importantly this budget will maintain the 24/7 firefighting capability that we've come to expect and desire. We haven't cut corners in our capability. We are thin in some areas, we are thin in cash flow. Unfortunately tax revenue does not come in always when you'd like to have the tax revenue to pay your bills, and that's a problem. Most fire districts carry a much larger flow-through, a much larger carryover than we do. And we also do not have a plan that I am happy with anyway, for the eventual replacement of our capital apparatus. We need to work on that, it's not done yet, we've got to do better. Right now we're in the position where if one of these trucks or apparatus were to really, really go down on us, the best we could do is make a down payment, buy a truck and pay the mortgage – I'm not sure that's the best way to do it. I thought it would be interesting to look at a few numbers to help frame this budget that we're talking about. Five years ago at the formation of the Fire District, one of the stated objectives by those who were involved in the formation of the district was to attempt to hold a tax levy rate of \$1.50 for five years; that was an objective or a goal – it depends who you talk to what they heard – it doesn't make any difference. This is the first year the tax rate was \$1.50, the second year the tax levy was \$1.51, the third \$1.40, the fourth \$1.40 and the fifth, now, \$1.52. I was not a board member at that time. I am comfortable your Board has met that commitment, that objective that was suggested back at the formation of the fire district. I thought it would be interesting to look at a couple other rural communities around us – and I don't want you guys to jump me on this because I do

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understand the differences between apples and oranges – no fire district is the same, they all have different needs and it's not fair to make a direct tax rate comparison and say these guys are doing it right on these guys are doing it wrong. I looked at Elfrida, Sunsites-Pearce, Arivaca, Palominas and Whetstone. They're all over 2 dollars a couple are over three; so I feel that we're doing a pretty good job at \$1.52. Lastly, then I'll jump off the stage here, I found it interesting to see where the numbers work out – we're all going to write checks out to Cesar Ramirez, so what are those checks going to look like with this new budget compared to last year's budget. So I made a list of names and honest to goodness I got them out of my head – they're us guys on the Board, they're some in the room here, people like you who have shown a public interest in the well-being of the budget of your fire district. So your names came to mind. All of the data – I get these numbers from is public consumption on the county website. You can go to the Santa Cruz County website and find from 2009-2012, the assessed value of your property, your neighbor's property and my property. When you know that and you know a tax levy rate of \$1.52 you can tell right away what the difference is going to be in your taxes from 2010 – 2011. And unless anyone at the table or my friends in front of me object, I would like to read a few names and tell you whether your taxes are going to go up or down.

Bianchi – I don't know that we want to do that at a public meeting.

Ruppel – I don't have a problem with you sharing mine.

Izzo – I'd like to know mine.

(multiple comments by audience members as to okay to share theirs)

Pfitzenmaier – Combs up \$14., Fink down \$73., Rutter down \$148., Soliere up \$14., Bareiss goes up \$114., Cardillo is dead even., Cafarelli goes up \$107., Carnevale goes down \$55., Parrilli comes down \$56., DeWolf goes up \$7., Bianchi up \$2., Pfitzenmaier down \$34., Addison down \$8., Izzo up \$20., Chambers up \$58., Balanoff goes up \$6., Rennie up \$40., and that's it – I didn't do them all. Another observation having looked at the date is that except for two of the cases that I've mentioned, the 2012 assessed values of all these properties I mentioned goes down again below the 2011 and 2010. Just a comment. That concludes my remarks.

Izzo – Jerry.

Bianchi – Thank you, Ron. Preparing the budget, and I've prepared a number of budgets over the years, I've been educated, trained and practiced accounting for many years. Preparing a budget is not an exact science, you can't go to a book, open it up and find a formula that's hard & fast that says this is exactly the way you're going to prepare a budget. In preparing a budget, you have to make a lot of was the assumption; you've got to be able to tell the future, you've got to make estimations. For example; I think we can all say with certainty that from now the price of diesel fuel is going to go up, so that's not the hard part that's the assumption. The estimation is can someone tell me what the price of diesel fuel will be at that time. You can't so, we're guessing how this is going to work. I'm going to show you something. This is my budget file – four months ago it was empty. There's been a lot of thought and work that went into this. We started with a proposed budget that was submitted at \$1.72 after many reviews from folks like you, discussions with folks like you, meetings with the Chief, dealing with suggestions and doing an analysis of numbers, these reviews, these revisions went through a period of iterations that we started at \$1.72, then it went down to \$1.65, then it went down to \$1.55, then it went down to \$1.53 and one last final shot at it took it down to \$1.52. Now, we accomplished this because of several factors, last went on we got more and more data about some of our numbers that we could use as a better forecaster into the future; such as with our ambulance revenue. It took us a while to prime the pump on ambulance – to provide a service your build that service, then three months to six months later, you collect on that service, While you're having the service, you keep building up your receivables, that's what I refer to as priming the pump. We've now hit a level where we feel comfortable that we can project a little better than ambulance revenue. That resulted in, I think it was a \$43,000 increase – is that correct Chief?

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DeWolf - \$23, 000.

Bianchi - \$43,000 off the original budget. On the other hand too, the Chief was willing, after listening to what you folks had to tell him, to really tighten up on the costs, recognizing that he could not do everything that he really wanted to do. This will not be an easy budget to accomplish or to deal with, but I feel it can be done. It provides modest increases to our EMTs and Firefighters. It will deal with this serious problem with our septic system. And, as Larry's read off, looking at lower valuations, we kept the tax impact pretty much to a minimum for most folks – some that's not the case. That's because they have some particular problem with Mr. Fuentes n Nogales. We can't help them with that. Now, personally, as a Board member, I don't consider that I work for the Chief or that I work for the District. I work for you folks, you're the ones who elected me. You're the voters and I have an obligation to you. I am obligated pretty much to do what you want because you' can't sit up here and cast votes – only we Board members can do that. But put of that obligation to you is that we have to strive to maintain an adequate level of emergency services, so that when a call goes out for a motor vehicle accident or a fire or medical treatment for a heart attack or a stroke, that you've got people coming there that are equipped and trained and professional enough to treat you in a way you would hope to be treated. At the same time you've got to keep this at an acceptable level of cost. Now, everyone here at one time or another I guarantee you are going to have a need or emergency services. Some of you have probably already had emergency services from this District. All of us will at some point in time. So, it's important that we keep the level of professionalism high enough. Now, is this a perfect budget. Probably not. I don't know that there can be a perfect budget. But it's a good Budget and it's a Budget I can support and feel comfortable meeting my obligation to you folks And I hope it's on that you all can accept. That's all I have to say.

Izzo – Thank you.

Ruppel – this is not the budget that I would have preferred to see, there's far too much left out of this budget by my estimation. However, I am a pragmatist and after discussions with the Chief and at least a couple of other Board members, I think that it's the only Budget we can pass. Chief, what's the total difference between this and what the proposed budget was?

Pfitzenmaier – It's \$24,000.

Ruppel – So, you know there's \$24,000 difference between those two budgets and spread over a community this size, I think that out of a one million dollar budget that's a fairly miniscule amount. Be that as it may, this is what we can agree on. Primarily what I want to say to you since that Chief and his staff have taken a lot of hits on this process, undeservedly. What I want o say to you is that it's the Chief and his staff who developed this budget. It was their expertise that informed it and you know they made the difficult choices and they deserve a great deal of credit for that really all of the credit for it. So I will support this budget grudgingly, because it's not as high as it should be, but I will support it.

Izzo – Larry, I have a request. To amend your motion, will you consider amending your motion to include the requirement with the adoption of this budget of a by-monthly newsletter to be produced by the Chief with an oversight committee consisting of yourself and myself to review that newsletter. That's number one. And number two, that there be formal bids on the septic tank construction that would be included in the adoption of the Budget.

Pfitzenmaier – Why uh...

Ruppel – I believe we have a comment on this from Chief as well when you're done.

Pfitzenmaier - Why is your wish to include that with the motion I made rather than to open a new motion following the vote on this motion?

Izzo – I couldn't in good conscience adopt a Budget without this newsletter requirement and we've got the construction of the septic on the Budget, so it's related.

Ruppel – Correct me if I'm wrong, but we'd have to get bids on anything we contracted anyways, it's a state requirement.

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DeWolf – It's by our ...

Izzo – It's not, its \$35,000. We don't have a procurement code here. Chief, did you have a comment?

DeWolf – I have a spending limit and the leach field – the septic system will be over it.

Izzo – What's the spending limit, Chief?

DeWolf - \$10,000.

Izzo - I think we revised that to nothing.

DeWolf – Really?

Izzo – Uhhn.

Ruppel – What was your comment Jerry, while he's looking for that?

Bianchi – My comment would be does this not have to be a separate agenda item and it was not put on the original agenda?

Izzo – It has to do with the adoption of the budget.

Bianchi – Well, yeah, but not the adoption of a newsletter... or selecting people who do it.

Izzo – Okay.

Ruppel – I would have to agree.

Bianchi - So I would have to be opposed to that proposal.

Izzo – Okay.

Pfitzenmaier – I'm more comfortable concluding the discussion on the motion I made and calling for a vote.

Izzo – Any more discussion on the budget? All those in favor? Aye, Bianchi, Ruppel and Pfitzenmaier. Opposed, one nay by Izzo. Motion carried, budget passed.

Audience comments: limit the comments to 5 minutes.

Mack Matlock - I'm from the Canelo vicinity. I like what I heard so far tonight on the budget. Still what the county does, what they've done over the last three years, my fire department contributions have gone up 30% that's the bottom line. I'm retired from law enforcement after 23 years of service, so I've seen my share of emergencies, fire departments. Even though I like what I've heard, I'm still going to fire a shot over the bow. Now as far as the Sonoita-Elgin Fire Department tax salary increase, the people involved need to take a look around. The city of South Tucson is seriously considering dissolving their fire department and working out of mutual aid with the city of Tucson due to a lack of money here in these hard times. I have a brother-in-law that is an assistant chief for the Phoenix Fire Department – he is having to look at having a step down in rank and run a fire station as a Captain – all due to budget cuts. But the Sonoita-Elgin Fire Department is considering a tax and salary increase. Federal, state, county and city governments are on hiring freezes and salaries also frozen, and in many cases work days cut back. But Sonoita-Elgin Fire Department is considering a tax and salary increase. I live in the Canelo area where response from this fire department is a minimum of thirty minutes. As far as an ambulance responding to my residence – don't bother. I'll be in the hands of a doctor by the time an ambulance gets there. So I've asked myself along with many other residents, why am I being taxed for a fire department that is 20 miles and 30 minutes away. This is not fair and is wrong. I'm being taxed so that Sonoita has additional money for their fire department. I'm going to do everything within my power and ability to end this wrong and the high tax rate that I deal with and charged. I seriously believe there is not a large enough tax base in Sonoita for a tax supported fire department, especially when other communities outside of Sonoita, such as Canelo, are taxed to support it.

Izzo – Thank you.

Board Member Comments –

Bianchi – I have a comment I'd like to make. All of us, the Chief, the Board members and you taxpayers learned a lot about budgeting the last couple of months. And you also learned a lot about your fire

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district hopefully, in the last couple of months. I would hope you don't let your interest and involvement end now, and we won't see your faces again until a year from now when we're dealing with another budget situation. I would hope that many of you could here at least once a quarter, to our Board meetings and find out what's going on and the problems that the Chief and the Board is dealing with. Now that being the case, I'd like to put a pitch here for something. Every person in this room, every person, could be trained to be a dispatcher. How do I know that? Cause they trained me to be one. And for five years I was a dispatcher here. Once I ran for the Board, I could no longer work for the department. It was a total voluntary effort. We currently are down to six dispatchers is it Chief? Six dispatchers to cover twenty-four hours seven days a week. This is an area of great need in the department. The only requirements are you can read, you can write and you can talk. That's all the requirements are. Many of our dispatchers are in their seventies, we've got one who's pushing ninety I believe, he's ninety already. He does a 24 hour stint every Monday. So it's not something that you can say gee I can physically do it or I'm too old to do it – that's not the case. The loss of any more and the chief is going to have to go outside of the volunteers and outside of the organization to get dispatching done, it must be done. Dispatching primarily is a recording function of what's going on and dealing with the folks out at the emergency call; if they need a helicopter, if they need police assistance, whatever the case might be. So, it is essential to the operation of emergency services. If we go outside it will cost us money, 'cause someone's going to want to get paid for it. Now, if any of you are interested, contact the Chief or Anna Courson, if you know her, she supervises the dispatchers, I guess she still does. Inquire about it and find out about it. You will get the satisfaction of helping to, helping your neighbors when you're doing dispatching work and of providing a service to the community and you'll find you're in a pretty good group of people. So I hope some of you will seriously consider that, 'cause it is a pressing need right now. That's all I have to say. Other than thank you all for coming and all your comments over this period.

Izzo – I want to just reinforce that. It was a good opportunity over the last couple months to see the democratic process and democracy in action, because it was involvement by folks like you that helped us make the decision that we just made on the Budget. We really do need you input on a lot of other issues, we made a lot of decisions here with very little involvement. Actually, Gary Soliere is the only one that consistently attends our meetings and speaks on a regular basis. But this district has grown, we've adopted the ambulance service, we've purchased equipment, we've increased staff, we've gone to 24/7, really with very little public input, just by the fact that very few people come to our meetings. The other thing I'd like to add is that we're all available to each and every one of you. And if you don't know us, get to know us. You can certainly reach us by email. If it is kind of a provocative comment we'd probably prefer to get that by email. But if you want to waylay us at the post office, that's happened to some of us, you're welcome to do that. That just kind of comes with the territory. I'm really glad you're here tonight, that shows concern and involvement, for tonight as well. Any other comments?

Motion to adjourn: Motion by Ruppel, seconded by Pfitzenmaier, motion carried.

Minutes were approved as written by the Board of Directors of the Sonoita-Elgin Fire District on August 15, 2011 by the full board.

_____ dated August 25, 2011