

**Minutes to the regular meeting of the Sonoita-Elgin Fire District Board of Directors  
Monday, 16 April 2012  
6 p.m.**

**Call to order**

**Pledge of Allegiance**

**Roll Call** – All Board Members present except Ian Tomlinson.

**Chief's Report** – The Chief's report began with an update on the Septic System presented by BC Venos. All four bids are in and the lowest bid is within the budget amount; it is a qualified bi. We're awaiting the paperwork from the Vera Earl to process the parcel ID paperwork for the county so we can complete the state plans. **Website** – we had 562 visits to the website in March. **Run Report** – We had 48 runs, 16 simultaneous runs and year to date we have 126 runs. Wildland Season. The Ready, Set, Go Program awarded us \$1,000 for marketing the program through pamphlets, door hangers etc. Academy – 'Our graduation is this coming Saturday; we have a dinner at 1600 and the ceremony at 1800. It will be a posted event, so feel free to join us. We do have other chief's from other departments coming that have people in the academy as well as a key-note speaker from Pima Community College. This is the first year we've been accredited through Pima College. Chief asked Katie to read a note from a happy taxpayer. Chief then read a letter from J.P. Keith Barth in sincere appreciation for the help of K. Goodwin. Capt. O'Brien has resigned as of 23 April 2012. He is going to work for Green Valley Fire (DeWolf displayed a slide delineating the salary/benefits split for Green Valley vs. SEFD.)

**Financials and Balance Sheet** – We are right on track, no surprises; we did receive another \$5,000 for fire suppression and about \$14,000 in ambulance revenues. Bianchi – Off hand, do you know what our receivables are? DeWolf – I don't know right off hand, but it's around \$100,000. Fuels Treatment is going well in Lyle Canyon area but we're on track with the number of acres treated. It did pay off – we had a fire in Westgate and because it was already treated helped us hold the fire within the Westgate Subdivision. Fuels crew was in the area when the fire broke out and helped our response time and actions.

**Budget Schedule** – DeWolf reviewed the publication dates, public hearing date, adoption date and the date of delivery for each county.

**Draft Budget** – DeWolf – this budget is what we talked about at our roundtable last month, the only difference in this is the labor. To answer Ron's question for paid holidays, the cost of two more holidays is \$1578.

**Pfitzenmaier**... That's all?

**Izzo** – Ok, what's the bottom line?

**DeWolf** - The bottom line would be \$50,471 above what we did last year.

**Izzo** – We had identified some surpluses last meeting...

**DeWolf** – What that was was this Goers Grant; \$37,000. Jerry and I spent a lot of time talking to our auditor. The \$37,000 was from a grant we received of \$57,000. We funded the grant from our revenue equalization fund that takes us from July through November when we get our tax money. Some of that money was paid back in FY 2012, the other came in this year, the \$37,000. Now, he (auditor) would not give us a definite answer on whether we should carry it forward or leave it in the equalized revenue fund. It is a decision of the Board. The only... it could become a shortfall of our revenue equalization fund if we roll it over into this year's budget. We could become short November of this year.

**Ruppel** – Which would mean we'd have to take money out of our credit line and pay interest.

**Izzo** – If we don't roll it over - if we don't consider it income for next year. What's the interest rate?

**DeWolf** – If we borrow money, we have to pay it back by June 30<sup>th</sup>, we have to pay the county.

**Izzo** – We already have a fund, a certain amount, \$3000,000 that we plan to have for tax money, We budget for that money every year.

**Ruppel** – But in this case we'd be budgeting for it not to be enough. Potentially.

**Bianchi** – Chief, before I comment on the GOERS Grant what is the \$41,565 for prior year carry-forward?

**DeWolf** – We generally carry about \$19000 – 20000 every year plus because of the hiccup with our septic system, we don't want to budget it again so I've moved the \$20,000 forward so we can spend it out during the year.

**Bianchi** – so if we don't get the septic system in and paid for by the end of June of this year, we'll carry it forward.

**DeWolf** – Correct.

**Bianchi** – So it may appear again on our budget, but it's not duplication. On this GOERS Grant, talking with the auditor was really very confusing. The money that we got in this year was a carry-forward from last year but all the expenses related to that was covered in last year's expenditures. However it was not budgeted. Now, last year, we essentially broke even, so that means that last year we had the funds that were not budgeted, that allowed us to cover that \$37,000. Everything came out of cash, but to say it out of the revenue equalization fund, I'm not sure that we can say that's where it came from. We're not going to know what the fund will be until July of this year what that revenue equalization fund will be and that will be after this year wraps up and we've gotten the revenues in for this year. It's my feeling, and when I talked with the auditor, he said yeah, yeah that's right, you can carry it over. When I talk to the Chief, he says you might have to go borrow money, so basically he really doesn't know (the Auditor). But I feel that since we were able to cover that last year and stay within budget that we had to have the funds last year. So I personally, my opinion is that we're going to end up, with everything except the Goers, that we're going to end up with a surplus of \$37,000 this year. But as I say we're not going to know for sure until early July that that would be the case. Chief and I talked about this and one of the things we thought that one of the things we could consider is bringing a certain portion of that over and leaving another portion as just a kind of feel warm and fuzzy is not correct.

**Ruppel** – What portion would you recommend?

**Bianchi** – Roughly half of it. The only expense we would incur is interest if we have to borrow and yes we would have to pay it back right away. But we wouldn't be looking at quite so much and we'd still be able to keep the budget a little bit more under control.

**Ruppel** – So that would increase this \$50,000?

**DeWolf** – Decrease it.

**Pfitzenmaier** – Question Chief, along the same line we've been discussing the Goers account which is line 9, if you move down to line 11,12,13, we see what was an unbudgeted income from various sources. Why wouldn't it be reasonable to consider a conservative estimate of those tasks...the amount we'd accrue from those tasks for the upcoming budget year.

**DeWolf** – Because if you look under the expenditures they expense themselves right out. It's a grant that comes in and goes out again. And we have no idea how much we're going to bring in for the next year.

**Ruppel** - in the past we have gotten in trouble with that when we have tried to take an average of what we've had for the last five years and say that's going to be our wildland income for the upcoming year, I mean it's really just a shot in the dark because you really have no idea, number 1 what the fire season's going to be, and number 2, whether or not you're going to get called out on any fires, whether they're going to be reimbursable depending on where they are.

**DeWolf** – Those fuels treatment grants have to be used for that, we can't use that in any other way. So if we don't do any fuels treatment, we don't see any income.

**Izzo** – What about the Academy.

**DeWolf** – The Academy is there and the expense of the Academy is there, and that's going to be pretty much a wash as well. (Line 43)

**Izzo** – the budget for next year.

**DeWolf** – We're not going to be doing an Academy next year.

**Izzo** – Larry you'd found something in one of the other accounts which one was that?

**Pfitzenmaier** – Uh, I think it's been corrected Ron.

**DeWolf** – that was in Station supplies, we went and fixed that mistake

**Izzo** – So, do I understand correctly that you're proposing a tax increase of \$50,000?

**DeWolf** – Yes.

**Izzo** – Which is what percentage?

**Bianchi** – About 7.7% over last year's budget.

**Izzo** - What would the number be if we carried the full \$37,000?

**Bianchi** – About \$13000.

**Izzo** – and that's like what 2% or something?

**Pfitzenmaier** – Chief, this budget folds in the personnel compensation proposal we just looked at?

**DeWolf** – Yes it does.

**Bianchi** – Actually it's just a little over 1% increase.

**Izzo** – we have two people who have indicated they want to address us concerning staffing and budget so perhaps now would be a good time.

**Daniels** – [See copy of Daniels speech in minute book.](#)

**Plympton** – Terry Plympton – I live in Elgin, this is more or less a reminder; you're going to be publishing the budget in the local newspaper and the like, there's also a new portion of the Arizona Revised Statutes that also says it also needs to be posted to the website. Since we do have a public website, just as a reminder that also needs to be done as well because we'll be looking for it.

**Izzo** – I like everything you did Chief, my recommendation would be that we carry over the full \$37708. Historically we've been fine with the \$300,000, like Jerry mentioned, I think it's reasonable and prudent that we could look back on the prior years and say we've had sufficient carry over funds to get us through. So that would be my recommendations.

**Bianchi** - So that I'm clear on this, when we post this budget, it is not a final budget. So, we are still going to need a great deal of input from the public before this Board votes on a final budget.

**Pfitzenmaier** – And that is why the diligence we're taking this time on this this time on the budget is very important this time because I don't think we did that last year. You've said it, our public hearing is absolutely essential that we take into account all the comments that are made there before individually and collectively arrive at our decision. Do you want to go down the line Ron and have each Board member comment on this?

**Izzo** – Sure.

**Ruppel** – I appreciate all your efforts and the thought that has gone into all of this, both the Chief and My preference would be to see us split the difference on this carry-forward amount as Jerry suggested, only because I hate paying interest to the bank.

**Pfitzenmaier** – I endorse the incentive based pay scale that you've briefed Chief, I believe that is the right way to do this. It's a can we've kicked down the road a couple of times and it's time we do something about it. I think while we're all thinking about that, it is necessary to remind ourselves and others that we have no health care plan. This is the essence and totality of the compensation that our employees get. There's noting that you might not see if you're comparing it to other districts. I'd like to see a split on the GOERS account, possibly 50/50. I'd like to know how the numbers fall out with a split like that before a final comment.

**Bianchi** – Tonight?

**Pfitzenmaier** – Yeah, I guess.

**Izzo** – the reason I want to carry the full thing over, is we have the money. When we present this to the public they're going to see this, there's such a big difference between a 1% and 7%, and to split the difference it 's probably going to be 3%, you know that's still a significant tax increase and we know some people will pay far more than that because of the property evaluations. I think it's wise to present a minimal tax increase, since we have that; what we're saying otherwise is we want to be safe. So we're going to ask you for more taxes because we're concerned that we may not have enough money, though I've not heard anything that's says we won't. You know if this \$37,000 going to make the difference on whether we borrow money or not. And we haven't for years. That's my rationale. Do we have some numbers?

**Bianchi** - If my rapid calculation is correct, that would result in an increase of 4.8% if we took half. The budget number would be 687,978.

**Izzo** – perhaps we ought to take a vote on publication of the draft budget. So I'll make the motion that we'll adjust the draft by carrying over the full \$37708. Is there a second.

**Bianchi** – I'll second this so we discuss it. What bothers me about that is that when you present a number to the public, and then you try and increase it...

**DeWolf** – Once you present a budget is posted it cannot increase it. The budget can only go down, it cannot go up.

**Ruppel** – That can be the best justification for carrying the whole thing, correct.

**Pfitzenmaier** – That may be but no one has suggested that tonight yet.

**Ruppel** – But we don't want to be in the position where we have to propose an increase in the budget, because we can't. I would say that doing the 50/50 split would be the best thing.

**Izzo** – I made a motion and we have a second. All those in favor: Aye; Izzo. Opposed, Nay; Ruppel, Bianchi, and Pfitzenmaier. So motion doesn't carry.

**Bianchi** – I would make a motion where half of the GOERS Grant amount be reduced from what the Chief has proposed. In other words we'd go with \$687,978, reserving the fact that later on we could take all of it. Do we have a second?

**Pfitzenmaier or Ruppel** – Second.

**DeWolf** – So the motion is to take the \$37,708, divide it in two, which is \$18,855, and reduce the \$50,471 by that and then apply that \$ 18,885 to the taxes and bring down the taxes by \$18,854.

**Bianchi** – That is correct.

**Izzo** – Any more discussion on it? All those in favor? Aye (Pfitzenmaier, Ruppel & Bianchi), all those opposed? Aye, (Izzo). Motion carried. Anything on the budget that we need to deal with.

**Audience Comments** – Pete Daniels addressed the Board on the structure fire at the Vet's office and commended the Chief and his firefighters for their outstanding job in suppressing the fire quickly with little loss to the structure. I want it on record that we easily hold the Fire Chief accountable when he spends too much money, he's also accountable when things go well. He's done an outstanding job preparing this department to do the job they did with that structure.

**Board Comments** –

**Ruppel** – Pete I appreciate your comments. You're right there is a vast difference in this department. But we didn't get from there to here by accident it was a very purposeful effort by a lot of people the chief among them. Part of that purposeful effort is contained in that budget this evening and the decisions that have gone into it. We've been accused over the years of a lot of not very nice things, like empire building and such. That's not what this budget represents. This budget represents a reasoned response to what professionals and this Board thinks are the threats facing this community, bearing in mind the financial realities of the taxpayers who we're asking to pay the bill.

**Pfitzenmaier** – I would like to remind ourselves and the audience is in fact a draft budget, it is nowhere near final because we have not had the public input. I think that we have an obligation to remind other s that that in fact is the case.

**Motion to adjourn** – Ruppel, seconded by Pfitzenmaier, motion carried.