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**Mountain Vista Fire District  
2292 W Magee Rd, Suite 180-190**

**BOARD MEETING  
MONDAY JULY 19, 2010**

**Meeting Minutes**

**Agenda**

- I. CALL TO ORDER at 6:30 PM by President Ruhnke followed by ROLL CALL

**Members Present**

Earle Ruhnke, Chairman  
Jerry Phillips, Treasurer  
Donna Heidinger, Clerk  
Michael Treece, Director  
Peter Archuleta, Director

**Absent**

**Staff Present**

Scott Butler, Administrative Chief  
Lorrie Palmquist, Executive Asst  
Eric Hawkins, Attorney

The Pledge of Allegiance was recited by all present.

- II. CALL TO THE PUBLIC

Jason Taylor, resident of MVFD, requested to speak on behalf of the Cromwell station. Mr. Taylor requested that MVFD consider closing the station as a last resort. He stressed that those citizens on Rudolph drive will have their response times triple if the Cromwell station is closed. Mr. Taylor also stated that MVFD has an opportunity to enhance service to the district by having 3 geographic stations and that narrowing to 2 stations will affect response time.

Mike Racy from Rural Metro requested to speak regarding the RM contract negotiations. Administrative Chief Butler commented that the staff was not planning to present a memo to Board regarding RM. Mike Racy asked whether it was appropriate to speak now or later in the agenda. President Ruhnke asked for a consensus from the Board. The Board decided to have Mr. Racy speak when the agenda item comes up.

- III. CONSENT AGENDA

The meeting minutes for June 21 were considered. Director Heidinger requested a change of offensive language on page 5 at the end of item 4b. She suggested that perhaps the offensive language could be substituted with (\*\*\*\*\*). Director Treece commented that the minutes are incomplete. Director Heidinger stated that she emailed her notes this afternoon. Lorrie never received any corrections of

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Executive Session minutes from Clerk Heidinger. Director Heidinger added that her email stated when the meeting ended and the minutes need to reflect the correct time. Director Heidinger apologized for the sloppy job of taking Executive Session notes. She asked questions about what happened in the Executive Session because she had a hard time going back to her notes. Chief Butler commented that it is inappropriate to discuss Executive Session in a public forum. Director Heidinger motioned to table the minutes until the August 16 Board meeting so amendments can be made. Director Treece seconded. Motion **Passed unanimously**.

IV. ADMINISTRATIVE CHIEFS REPORTS AND UPDATES

a. Correspondence

There was no correspondence to discuss.

b. Website information

Lorrie asked the Board if everyone had used their passwords to access the website and corporate emails. She also stated that documents have been saved and posted to the private Board page in a PDF format so that everyone can read it. The Board commented that everything is working well. Lorrie requested that the members let her know if they are having a problem with the site or email. Also, she reminded the Board members about providing brief biographies which can be added to the website.

c. Financial reports for June 2010

Director Heidinger questioned what expenditures go into the contract services. Chief Butler responded that it is made up of Rural Metro and contract services for Lorrie.

The JUNE 2010 financial reports were accepted as presented.

V. DISCUSSION AND/OR ACTION ITEMS

Pursuant to A.R.S. 38-431.03 the Board may vote to go into Executive Session for the purpose of consultation for legal advice regarding contract negotiations.

A phone conference with the Attorney and/or some Rural Metro staff may be utilized for portions of this meeting.

a. Discussion and/or action regarding the development of a comprehensive strategic plan for the fire district.

Administrative Chief Butler pointed the Board members to a copy of the "Process Outline" proposal from Jan Waukon, Skyhouse Consulting, in the packet information. This is a reminder from the presentation she gave at the Board meeting last month. MVFD is entitled to 40 hours of free

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consulting services because we are in a construction zone. Chief Butler reminded everyone that the idea is to get through as much of the strategic planning process as we can with the free 40 hours and then let the Board decide if they want to continue. At that point, Jan will have a better feel for where we are in the process and can give the Board a dollar estimate of what it will take to complete the strategic planning process. Director Heidinger commented that we don't have 40 hours remaining. Director Phillips asked if we were going to do the questionnaire Jan listed as step 1 of the process. Chief Butler said yes. Director Heidinger commented that it is a good idea but asked for early notification about Board retreats. Chief Butler said Jan is preparing a timeline of the process and we will know ahead of time and will be able to distribute dates to all. After no further discussion, Director Heidinger moved to proceed with the strategic planning process with the remaining hours from Skyhouse as per the written proposal. Director Archuleta seconded.

**Motion Carries. Chairman Ruhnke, yes; Director Phillips, yes; Director Heidinger, yes; Director Archuleta, yes; Director Treece, abstain.**

- b. Discussion and/or action to review the Magee facility cost estimates and authorization to proceed with the detailed drawings and permits.

Chief Butler stated that this is the next step in the Magee process. Al Moritz and Paul Mickelberg from WSM, as well as Jed Heuberger from Lloyd Construction, were present to respond to any questions the Board had about the initial cost estimates from Lloyd Construction. Director Treece asked for a detailed cost estimate. Mr. Mickelberg responded that WSM prepared the plan for the general building and information was given to Lloyd Construction so they could prepare an estimate. The first step is to look at the design and put preliminary cost data to that and then decide where to go from the standpoint of taking things out or pursue as is. Mr. Heuberger, Lloyd Construction, responded that a couple of things were not in line so Lloyd got more cost estimates. The 4.1 million is the resulting initial cost estimate. Mr. Heuberger stated that Lloyd took the WSM information and applied it to a schematic cost estimate. Director Treece commented that therefore, you (Lloyd Construction) asked around and didn't shoot from hip but actually spent time. Director Treece asked when did the District receive this information. Mr. Heuberger responded that the information was handed out just before this meeting. Director Archuleta commented that there really isn't a bidding process. Mr. Heuberger responded that the schematic design doesn't go for bid. Mr. Mickelberg, WSM, stated that there is a bidding process, but that this is just the first phase of the process and it is not necessarily defined for contractors yet. He further stated that as we get more detailed then we can get a better bid. Director Archuleta asked about the bidding process. Mr. Heuberger (Lloyd Construction) replied that they advertise a minimum of 2 weeks in such publications as the Daily Territorial and the Arizona Daily Star. The cutoff date to accept bids is usually 3 weeks after the bid posting. The bids come through the Lloyd office so they can verify the lowest competent bid. He stated that they may receive lower bids but they may not have all the requirements. Director Treece commented that Lloyd Construction reserves the right to do it themselves. Mr. Mickelberg stated that Lloyd would do their own bid in that instance. Director Archuleta commented that he was hoping for a better price than what Lloyd projected. Mr. Heuberger (Lloyd) responded that a \$300,000 contingency is built in as a level of comfort. Director Treece responded that this is about an 8% contingency. Mr. Mickelberg said the contingency is for such things as furniture or other items outside of construct costs. Director Treece asked why do you need 8%? Mr. Mickelberg responded we could make it whatever because there may be other unknowns like cost increases and utilities and that the contingency allows flexibility. He further commented that you could choose to make the number zero if you like, because this is a ballpark

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guideline at this step in the process and we will do another check as the process gets more fleshed out -- so the number could go down. Director Treece asked if the 4 million was reasonably accurate. Mr. Heugerber (Lloyd) said yes. Director Treece asked then why add \$300,000 contingency. Mr. Mickelberg said the 4 million number does not include covered parking, a motorized gate, or a generator which are all still pending alternate bids. Director Treece asked if the 4 million is based on 19,900 sq feet. Mr. Mickelberg responded that the original did project 19,900 sq feet and through the process of developing the schematic the building crept in size to about 21,000 sq feet and we needed to get back to the sq feet the Board authorized. So we adjusted and tweaked within the building in insignificant areas getting back to the authorized sq feet. Director Treece asked about "equipment" because there is a line item for furniture/equipment. Mr. Mickelberg responded that the "equipment" referred to is for items such as an SCBA compressor / Cascade system, that depending on what kind you get, you could spend \$50,000 for example.

Director Treece asked about how we will be getting in and out on the west side of the station. Mr. Mickelberg responded that you will come out and make a left. There will be a median to allow left turns -- a painted stripe median as the traffic control - because no uturns are allowed. Director Treece asked why are we not allowed a traffic control. Mr. Moritz said the County was taking into consideration the traffic loading and line of sight required by Pima county. We can address the issue after the fact. The District would pay for them, roughly \$ 25,000ish. He stated that we need 2 and that they could be either solar powered or radio activated. Director Treece pointed out that Pima County may have some liability if they deny the District putting lights in. Director Treece thanked Mr. Moritz for his comments. Director Heidinger expressed disappointment that the neighborhood won't have an early warning alert. Mr. Moritz commented that the County could change their mind and is confident that the County will do what they need to in support of MVFD. Meetings with the County are ongoing relating to the sequencing of the MVFD driveway and the proposed Magee road facility - relating to the height of the road -- and what design will work best. He further commented that it is a timing issue and a civil engineer is working with the County. Director Treece asked if Lloyd Construction could request future light controls. Mr. Mickelberg responded that their system is wireless. Director Archuleta asked if all this was considered in the \$300,000 contingency included in the Lloyd estimate. Lloyd Construction responded, "Yes, and the amount will probably shrink as we move through the bid process and details become clear."

Director Phillips motioned to accept the staff recommendation to proceed with final plans. Director Heidinger seconded.

**Motion Carries. Chairman Ruhnke, yes; Director Phillips, yes; Director Heidinger, yes; Director Archuleta, yes; Director Treece, no.** Director Treece stated his concern that this will raise the tax rate next year.

c. Discussion and review of any proposed Rural Metro contract amendments.

Representing Rural Metro, Mr. Michael Racy (535 W Burton Dr, Tucson) addressed the Board. He stated that we(Rural Metro) felt it was important to give the Board an update on discussions we have had with MVFD Administrative Chief Butler. We have had many meetings regarding the annexation process in general and time to discuss the annexation area. Chief butler suggested we go to cost-plus. RM agrees with that and believes it is reasonable to move forward aggressively to annex those areas.

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RM encourages the Board to proceed in that direction. Chief Brandhuber had presented cost information but has been deployed to Iraq so Chief Stoltenberg is filling in and told RM that MVFD was not ready to go forward. RM has discussed other methodologies. Chief Butler mentioned the assessed value of the area and commented on the decline in value. So we(RM) went back and calculated minimum 12% discount. Chief Butler pointed out RM has not paid 100% assessed value and that it is not appropriate to pay the 100% assessed value on the new annexed area. So we(RM) went back and calculated and gave breakdown cost- plus 10% and then an analysis using subscription fees for the area. We left that meeting. We were told that the District will pay \$200,000 for annexed area, but could move to \$250,000. RM is not aware of any rational basis for that number and we believe it is critically important to our relationship. So, we want a methodology for the fee and we think cost- plus is the right method. We value our partnership and want to continue the partnership. We came up with other methodologies and had a followup meeting. I have the information from the June 28 meeting with me tonight. RM had reached an impasse with Chief Butler and so we want to come tonight to ask for the Board's participation in resolving an equitable compensation for the annexed area and, equally important, a sound method for going forward. We have formally proposed a subscription basis, but is that rational? We are open to discussion.

Attorney Eric Hawkins made a recommendation that the Board address this issue in Executive Session. Director Treece commented that the discussion should be done in the open. Attorney Hawkins recommended to take this matter into Executive Sessions due to the potential harm in the relationships that could come out of it. RM stated they were not aware of any legal issues. Attorney Hawkins stated he was not implying there were any issues in legal dispute, but that for contract negotiations, the Board is entitled to take them into Executive Session. It is the Board's right and Attorney Hawkins suggests the Board take advantage of that. Director Treece asked who would be in Executive Session. Attorney Hawkins commented that the Executive Session could include the Board members and anyone they want to invite. Director Archuleta reiterated that RM said they were at an impasse in the negotiations. RM responded that the discussions with Chief Butler reached an impasse on June 26. Chief Butler stated that he was not informed that the discussions were at an impasse. "So this is news to me," commented Chief Butler. Attorney Hawkins commented that this could frustrate negotiations so he again recommended Executive Session.

Director Archuleta moved to discuss the RM negotiations in Executive Session, but that the Board should finish the agenda first. Director Phillips agreed. Director Heidinger seconded.

***Motion passed. Chairman Ruhnke, yes; Director Phillips, yes; Director Heidinger, yes; Director Archuleta, yes; Director Treece, no.***

d. Discussion and/or action regarding the IGA contract for fire inspections in the town of Oro Valley

Moved to Executive Session.

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VI. Adjournment

At 7:20 pm Chairman Ruhnke called for 5 minute recess.

Executive Session convened at 7:27 pm.

Regular meeting reconvened at 9:25 pm.

Next Meeting date is August 16, 2010.

Director Heidinger motioned to adjourn the regular meeting at 9:27 pm. Motion seconded by Director Phillips.

Meeting adjourned AT 9:27 PM.

**Approved By:** \_\_\_\_\_

**Date:** \_\_\_\_\_