



**ARIZONA FIRE & MEDICAL AUTHORITY
BUDGET AND FINANCE COMMITTEE
MEETING MINUTES**

Tuesday, January 17, 2023

MINUTES

1. CALL TO ORDER / ROLL CALL OF BOARD MEMBERS / AFFIRMATION OF QUORUM

Committee Chairman Bookie called the meeting to order on Tuesday, January 17, 2023, at 10:09 a.m. at the **Arizona Fire & Medical Authority Administrative Office, 18818 N. Spanish Garden Drive, Sun City West, Arizona 85375. The meeting was held in person and virtually.**

Members Present: Chairman Richard Bookie, Vice Chairman Diane Price, Committee Member James Young

Members Absent: None

2. REGULAR BUSINESS

A. Approve Budget and Finance Committee Meeting Minutes of December 12, 2022.

Committee Member Young moved that the Budget and Finance Committee Meeting Minutes of December 12, 2022, be approved. Committee Vice Chairman Price seconded the motion.

Vote conducted. **MOTION CARRIED.**

AYES: Bookie, Price, Young

NAYS: None

B. Review South County Fire & Medical District, North County Fire & Medical District, and Arizona Fire & Medical Authority Financial Reports for December 2022.

Finance Director Rebecca Chitwood presented the South County Fire & Medical District, North County Fire & Medical District and the Arizona Fire & Medical Authority Financial Reports for December 2022.

In response to inquiries, Assistant Chief Mary Dalton noted that the Ambulance Membership Program revenues help to offset the costs of providing ambulance services. In addition, to date the Pension Reserve Fund has earned approximately \$30,000 in interest. The current T-Bond rate is set at 4%.

Committee Vice Chairman Price moved that the Budget and Finance Committee recommend that the South County Fire & Medical District, the North County Fire & Medical District, and the Arizona Fire & Medical Authority approve the Financial Reports for December 2022. Committee Member Young seconded the motion.

Vote conducted. **MOTION CARRIED.**

AYES: Bookie, Price, Young

NAYS: None

C. Review South County Fire & Medical District, North County Fire & Medical District, and Arizona Fire & Medical Authority Fiscal Year 2021/22 Annual Audit Reports.

Finance Director Chitwood reported that the Fiscal Year 2021/22 Annual Audit Reports for the North County Fire & Medical District, the South County Fire & Medical District, and the Arizona Fire & Medical Authority have been completed. Walker & Armstrong LLP issued a clean report for the fiscal year and there were no findings or recommendations made. A formal presentation will be made by Walker & Armstrong LLP at the Governing Board meetings on January 24, 2023.

D. Receive Update on Existing and Planned Grant Applications.

Management Analyst Deborah Musselman provided an update to the Governing Board on the existing and planned grant applications and answered all questions from Board Members.

Fire Chief Mark Burdick noted that as of July 1, 2023 the Buckeye Valley Fire District will be operating with a combined budget with the Arizona Fire & Medical Authority and so any grant applications that will be awarded after July 1, 2023 will be submitted together.

E. Receive Update on the Worker’s Compensation and American Rescue Plan Act (ARPA) Funding.

Assistant Chief Dalton reported that fire districts were allocated \$20 million in reimbursements, the State Industrial Commission is overseeing the reimbursement process and is soon to be issuing the required forms. Staff is ready to submit as soon as the reimbursement forms are available. This money will likely be disbursed on a first come first serve basis. AFMA is in a good position for reimbursement.

F. Discussion and Possible Action Regarding Capital Improvement Plan (CIP) Expenditure – Ambulance Vehicle Purchase.

Deputy Chief Kane Nixon reported that Staff is requesting the use of CIP funds to purchase four replacement ambulances. As part of the adopted CIP, four ambulances were identified as needing replacement due to age and milage. The existing ambulances will transition into reserve units upon receipt of the new ambulances.

The Apparatus Committee solicited bids from four different ambulance manufactures including Demers, Medix, Horton, and Road Rescue. After carefully reviewing all proposals, the Committee invited each vendor for an in-person demonstration to answer questions and showcase their product. At the conclusion of this process Medix was chosen as the vendor Staff is recommending to the Governing Board to manufacture these ambulances. Originally, it was budgeted to purchase the gurney and power load systems for each separately; however, through this process it was identified that Medix can procure and install the needed gurneys and power load systems at a lower cost than purchasing them separately.

The adopted CIP included a plan to replace the four requested ambulances at an estimated cost of \$250,000 each, for a total replacement cost of approximately \$1,000,000. However, quotes for all four (4) ambulances are significantly higher, at an amount not to exceed \$1,834,208. Staff is recommending utilizing funding previously earmarked for the Hazmat Apparatus Project for the purchase of these four replacement ambulances. This project budget includes a 7% (approx. \$100,000) contingency.

In response to inquiries, Captain Chris Barkley, Apparatus Committee Representative, stated that from time of order to delivery is approximately 18-24 months.

In response to inquiries, Division Chief Brad Puckett stated that front line apparatus are moved to reserve status and are used as long as possible, which limits their resale value. At the end of the ambulance's useful life, the apparatus is donated.

Fire Chief Burdick stated that other organizations have purchased used vehicles in an effort to limit costs and found that each vehicle required some mechanic work by Staff which ultimately increased the overall costs of the apparatus, negating any savings to the organization. Staff is committed this upcoming budget cycle to review the Capital Improvement Plan in depth and to adjust capital purchases for inflation and the price increases we are seeing today.

Fire Chief Burdick noted that Staff is exploring other funding options for ambulance replacements including an option to utilize ambulance revenues creating an enterprise fund of sorts rather than rely solely on the CIP for these replacements.

Committee Vice Chairman Price moved that the Budget & Finance Committee recommend the Arizona Fire & Medical Authority Governing Board approve the use of CIP funds in an amount not to exceed \$1,834,208 for the purchase of four replacement ambulances. Committee Member Young seconded the motion.

Vote conducted. **MOTION CARRIED.**

AYES: Bookie, Price, Young
NAYS: None

3. **SUGGESTED ITEMS FOR FUTURE BUDGET & FINANCE COMMITTEE AGENDAS**

Committee Chairman Bookie requested information on the electronic Ambulance Program subscription and payment process.

4. **ADJOURNMENT**

The meeting adjourned at 11:23 a.m.

Richard Bookie

Richard Bookie (Feb 28, 2023 15:16 MST)

Richard Bookie, Committee Chairman

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Final Audit Report

2023-02-28

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