



**MINUTES**  
**PUBLIC HEARING AND REGULAR MEETING**  
**BOARD OF DIRECTORS**  
**AVRA VALLEY FIRE DISTRICT**

**Meeting Date:** Wednesday, February 27, 2013

**Meeting Time:** 10:00 AM

**Location:** Station 193 Located at 30300 E. Amber Sunrise, Marana, AZ 85653

**AGENDA**

**1) CALL TO ORDER**

CHAIRMAN CASTANEDA, JR. CALLED THE MEETING TO ORDER AT 10:10 AM.

**2) CHAIRMAN CASTANEDA, JR. LED THE PLEDGE OF ALLEGIANCE.**

**3) ASSISTANT CHIEF KLEIN CALLED ROLL**

THE FOLLOWING WERE IN ATTENDANCE:

**BOARD**

Chairman Castaneda, Jr  
Vice-Chairman Lassen  
Clerk Bauer  
Director Neilson  
DIRECTOR HORCH

**STAFF**

Asst Chief Klein  
Lorrie Palmquist

**ATTORNEY**

Attorney Wencker present by phone

**OTHERS IN ATTENDANCE:**

MR. FRED ROSENFELD, DISTRICT BOND ATTORNEY  
MR. VICTOR CARTER, RESIDENT OF THE DISTRICT  
MS. GAIL MCGRAW, RESIDENT OF THE DISTRICT

**4) *Public Hearing***

**PUBLIC HEARING REGARDING THE PROPOSED ERECTION OF A 100 FOOT-TALL COMMUNICATIONS TOWER AT FIRE STATION #193, 30300 E. AMBER SUNRISE, MARANA, AZ 85653. THE BOARD HAS PREVIOUSLY ACTED ON THIS ITEM AND ZONING AND BUILDING PERMITS HAVE BEEN SUBMITTED TO THE PINAL COUNTY DEVELOPMENT SERVICES DEPARTMENT. PINAL COUNTY REQUIRES THIS ADDITIONAL PUBLIC HEARING SO THAT RESIDENTS HAVE ANOTHER OPPORTUNITY TO MAY MAKE THEIR WISHES KNOWN PRIOR TO FINAL CONSIDERATION BY THE BOARD OF SUPERVISORS.**

Vice-Chairman Lassen moved to open the Public Hearing. Chairman Castaneda, Jr. seconded the motion. Motion carried unanimously. The Public Hearing was opened.

ASSISTANT CHIEF KLEIN OFFERED A BRIEF DESCRIPTION OF THE PROPOSED RADIO TOWER. HE STATED THAT THE TOWER WILL HOUSE RADIO EQUIPMENT WHICH WILL CORRECT CURRENT RECEPTION PROBLEMS. THE RADIO EQUIPMENT WILL INTERFACE WITH OTHER NETWORKS, THEREBY INCREASING COVERAGE. IT WILL CONTAIN A MICROWAVE LINK TO THE STATION INTERNET SERVER FOR DAILY BUSINESS BETWEEN STATIONS. FINALLY, THERE WILL BE AN OPPORTUNITY TO HAVE OTHER VENDORS COME IN AND RENT SPACE FOR WIRELESSS AND OTHER SERVICES FOR COMMUNITY.

RESIDENT GAIL MCGRAW EXPRESSED HER CONCERN ABOUT HEALTH ISSUES RELATED TO THE MICROWAVE EMISSIONS OF THE PROPOSED TOWER. SHE STATED HER CONCERN THAT OTHER VENDORS COMING IN COULD CAUSE MULTIPLE DISHES TO BE INSTALLED, THEREBY INCREASING THE MICROWAVE EMISSIONS. ASSISTANT CHIEF KLEIN RESPONDED THAT ALL EMISSIONS WILL BE LOW GRADE.

RESIDENT VICTOR CARTER INQUIRED IF OTHER WI-FI VENDORS WOULD BE ABLE TO LINK TO THE TOWER. ASSISTANT CHIEF KLEIN RESPONDED THAT ANY VENDOR COULD LINK TO THE TOWER AS LONG AS THEY WERE NOT IN DIRECT COMPETITION WITH TRANSWORLD. MR. CARTER ALSO EXPRESSED HIS CONCERN THAT THREE WIRES MAY NOT BE SUFFICIENT TO HOLD UP THE TOWER IF MANY VENDORS DO, IN FACT, LINK UP.

ASSISTANT CHIEF KLEIN FURTHER COMMENTED THAT TRANSWORLD WILL EVENTUALLY TURN OWNERSHIP OVER TO THE DISTRICT AT NO COST AND WILL CONTINUE TO PAY A SMALL RENTAL FEE EACH MONTH. THEREFORE, THE TOWER IS NO COST TO DISTRICT.

CHAIRMAN CASTANEDA, JR. CALLED FOR OTHER QUESTIONS. THERE WERE NONE. THE CHAIRMAN THANKED THE RESIDENTS FOR THEIR ATTENDANCE AND INPUT. THE RESIDENTS LEFT THE MEETING.

VICE-CHAIRMAN LASSEN MOTIONED TO CLOSE THE PUBLIC HEARING. CLERK BAUER SECONDED. HAVING NO FURTHER DISCUSSION, A VOTE WAS TAKEN AND THE MOTION CARRIED UNANIMOUSLY 5/0. THE CHAIRMAN CLOSED THE PUBLIC MEETING.

**5) PURSUANT TO A.R.S. SECTION 38-431.05(B), RATIFICATION OF ACTION TAKEN AT THE SPECIAL MEETING HELD ON FEBRUARY 15, 2013; REGARDING: FILLING ADMINISTRATIVE POSITION(S) IN THE AVRA VALLEY FIRE DISTRICT ADMINISTRATIVE OFFICE.**

ASSISTANT CHIEF KLEIN CLARIFIED THAT THE BOARD NEEDS TO RATIFY THE MEETING HELD ON FEBRUARY 15, 2013. CHAIRMAN CASTANEDA, JR. ASKED ATTORNEY WENCKER FOR FURTHER CLARIFICATION. ATTORNEY WENCKER STATED THAT THE NOTICE OF THAT SPECIAL MEETING WAS LISTED AS MEETING AT THE HALBERG CENTER AND THAT SINCE THE ACTUAL MEETING WAS HELD IN THE ADMINISTRATIVE OFFICE, THE BOARD NEEDS TO RATIFY WHAT HAPPENED AT THAT MEETING. THE ATTORNEY STATED THAT THIS IS NOT A MAJOR PROBLEM, SIMPLY A COVERING OF ALL BASES. CHAIRMAN CASTANEDA, JR. CALLED FOR FURTHER DISCUSSION. BEING NONE, THE CHAIRMAN MOVED TO RATIFY THE SPECIAL MEETING HELD FEBRUARY 15, 2013. VICE-CHAIRMAN LASSEN SECONDED. THE MOTION CARRIED UNANIMOUSLY 5/0.

**6) APPROVAL OF MINUTES FROM SPECIAL MEETING HELD ON FEBRUARY 15, 2013.**

AFTER NO DISCUSSION, CLERK BAUER MOVED TO APPROVE THE MINUTES FROM THE SPECIAL MEETING. CHAIRMAN CASTANEDA, JR. SECONDED AND THE MOTION CARRIED UNANIMOUSLY 5/0.

## **7) HALBERG CENTER REPORT**

CHIEF KLEIN STATED THAT THE DISTRICT HAS RECEIVED \$250 IN THE LAST MONTH FOR RENTAL OF THE HALBERG CENTER. THERE WAS A HOMEOWNERS ASSOCIATION MEETING AND SOME TRAINING CLASSES HELD AT THE HALBERG CENTER. A GUITAR AUCTION AND MUSICAL CONCERT WILL BE HELD ON MARCH 9 IN THE HALBERG CENTER.

CHAIRMAN CASTANEDA, JR. CALLED FOR QUESTIONS. DIRECTOR HORCH INQUIRED ABOUT THE STATUS OF THE GRANT MONIES WHICH HAVE BEEN REQUESTED FOR PLAYGROUND EQUIPMENT. ASSISTANT CHIEF KLEIN RESPONDED THAT THE GRANT APPLIED FOR WAS A CDBG GRANT (COMMUNITY DEVELOPMENT BLOCK GRANT), BUT THAT THERE HAS BEEN NO DECISION YET. THE GRANT WAS WRITTEN AND SUBMITTED ON TIME BY CHIEF DELFS.

THERE WAS NO FURTHER DISCUSSION.

## **8) FINANCIAL REPORT**

CHIEF KLEIN DIRECTED THE BOARD TO THE FINANCIAL REPORTS IN THEIR BOARD PACKETS. HE STATED THAT THINGS ARE TIGHT AND WE ARE CONSTANTLY MONITORING. REVENUE IS LOWER THAN PROJECTED, BUT WE HAVE ADJUSTED EXPENSES ACCORDINGLY. AMBULANCE REVENUE IS DOWN, BUT WE ANTICIPATED THAT WHEN WE BROUGHT THE BILLING PROCESS IN-HOUSE. THERE HAS ALSO BEEN A DECREASE IN THE AMOUNTS BOTH ACCHS AND MEDICARE WILL COVER. CHAIRMAN CASTANEDA, JR. INQUIRED ABOUT REEVALUATING THE PAYMENT SCHEDULES FOR BOTH COMPANIES. ASSISTANT CHIEF KLEIN RESPONDED THAT WE SHOULD SEE AN INCREASE IN RECOVERY FROM ACCHS DUE TO A BILL THAT IS CURRENTLY IN LEGISLATION. THE CHAIRMAN ASKED ATTORNEY WENCKER TO PROVIDE THE BILL NUMBER FOR OUR INFORMATION. HE FURTHER INQUIRED IF THERE IS ANYTHING THE BOARD MEMBERS CAN DO TO HELP THIS ISSUE. ATTORNEY WENCKER RESPONDED THAT IT NEVER HURTS TO CONTACT REPRESENTATIVES. CLERK BAUER COMMENTED ON THE SIGNIFICANT DECREASE IN AMBULANCE REVENUE DURING AUGUST. ASSISTANT CHIEF KLEIN STATED THAT THE DISTRICT IS LOOKING AT OPTIONS FOR THE BILLING PROCESS. DIRECTOR NEILSON INQUIRED ABOUT RATES CHARGED FOR AMBULANCE TRIPS. ASSISTANT CHIEF KLEIN RESPONDED THAT WE CHARGE A FLAT RATE FOR TRANSPORTS PLUS MILEAGE. HE FURTHER COMMENTED THAT EACH INSURANCE COMPANY PAYS OUT DIFFERENTLY, AND THAT THE DISTRICT CURRENTLY HAS A 60% RECOVERY RATE. DIRECTOR NEILSON ALSO INQUIRED ABOUT CONSUMABLES BEING ROLLED INTO THE FLAT FEE CHARGED. ASSISTANT CHIEF KLEIN EXPLAINED THAT THE STATE ALLOWS TWO WAYS TO BILL, EITHER BY FLAT RATE OR ITEMIZED. THE DISTRICT BILLS A FLAT RATE WHICH COVERS OUR CONSUMABLES. THERE WAS NO FURTHER DISCUSSION.

## **9) CHIEF'S REPORT/OPERATIONS REPORT BY ASSISTANT CHIEF KLEIN**

ASSISTANT CHIEF KLEIN COMMENTED THAT THERE HAS BEEN A CHANGE IN OFFICE STAFF. DANIELLE CANTRELL IS NO LONGER WITH THE DISTRICT. LORRIE PALMQUIST IS WORKING WITH THE DISTRICT THROUGH ACCOUNTEMPS. SHE IS MOVING FORWARD WITH BOTH THE ACCOUNTING DUTIES AND THE OFFICE MANAGEMENT. HE FURTHER COMMENTED THAT IN ANOTHER MONTH OR SO OPERATIONS WILL BE RUNNING MORE SMOOTHLY.

CHIEF KLEIN STATED THAT THE DISTRICT CONDUCTS ONGOING TRAINING. HE FURTHER COMMENTED THAT RESPONSE TIMES ARE GOOD AND THAT THE DISTRICT MECHANIC, TOM WEBB, IS DOING A TOP-NOTCH JOB. THERE ARE NO PERSONNEL ISSUES AT THIS TIME. SPIRITS ARE GOOD AND ATTITUDES ARE POSITIVE.

DIRECTOR HORCH INQUIRED ABOUT THE WILDLAND REVENUE. CHIEF KLEIN STATED THAT THE DISTRICT RECEIVED A CHECK LAST WEEK, BUT THAT THERE IS STILL A BALANCE OWED TO THE DISTRICT.

CLERK BAUER INQUIRED ABOUT THE POSSIBILITY OF BUYING OUR PARTS LOCALLY. CHIEF KLEIN RESPONDED THAT WE CURRENTLY USE A LOCAL VENDOR IN MARANA FOR PARTS. HE FURTHER STATED THAT WE SELECT OUR VENDORS BASED ON WHAT THEY CAN PROVIDE AND AT WHAT COST.

CHAIRMAN CASTANEDA, JR. CALLED FOR FURTHER DISCUSSION. THERE WAS NONE.

## **10) BOARD MEMBER REPORTS**

CHAIRMAN CASTANEDA, JR. REPORTED THAT HE AND CLERK BAUER ATTENDED A BREAKFAST IN GOLD CANYON AND MET SEVERAL PEOPLE FROM THE PINAL COUNTY BOARD OF SUPERVISORS. HE COMMENTED THAT IT WAS A VERY PRODUCTIVE BREAKFAST.

CLERK BAUER STATED THAT SHE IS WORKING ON A BOARD RETREAT AND WOULD LIKE FURTHER ATTENTION TO THIS TOPIC AT THE NEXT MEETING.

## **11) ANNOUNCEMENTS, CURRENT EVENTS & CORRESPONDENCE**

Chairman Castaneda, Jr. called for any announcements or correspondence. Assistant Chief Klein stated that the District received a note from resident Mary Butler expressing her thanks for the District's assistance to several families who send their children to Roadrunner Elementary.

Chairman Castaneda, Jr. congratulated Director Horch on his new baby. The Chairman also shared that a resident donated 13 handmade blankets to our District.

Clerk Bauer stated that there is a Pinal County Special District meeting on March 19. Three Board members have signed up so far.

## **12) REVIEW, DISCUSSION AND POSSIBLE ACTION REGARDING DISTRICT BOND: INTRODUCE, DISCUSS, AMEND IF DESIRED AND ACT ON A RESOLUTION AUTHORIZING THE SALE, ISSUANCE AND DELIVERY OF AVRA VALLEY FIRE DISTRICT GENERAL OBLIGATION BONDS, PROJECT OF 2012, SERIES 2013 AND APPROVING A PRELIMINARY OFFICIAL STATEMENT, CONTINUING DISCLOSURE UNDERTAKING, A BOND REGISTRAR AND PAYING AGENT AGREEMENT WITH RESPECT TO THE BONDS AND A BLANKET LETTER OR REPRESENTATION S, WHICH IS REQUIRED TO ACCESS THE BOOK-ENTRY-ONLY SYSTEM OPERATED BY THE DEPOSITORY TRUST COMPANY.**

BOND ATTORNEY FRED ROSENFELD ADDRESSED THE BOARD. THE DISTRICT IS WAITING TO RECEIVE APPROVAL FROM THE DEPARTMENT OF JUSTICE FOR THE BOND ISSUE WHICH WAS APPROVED BY THE VOTERS. DISCUSSION ENSUED REGARDING THE VARIOUS COMPONENTS OF THE BOND ISSUE.

MR. ROSENFELD EXPLAINED THAT HE IS PRESENT TODAY BECAUSE UNDERWRITER MIKE LEVELLI WAS HELD UP IN PHOENIX TRAFFIC. MR. ROSENFELD GAVE EXPLANATION TO MR. LEVELLI'S REPORT INCLUDED IN THE BOARD PACKETS. THE SECONDARY ASSESSED VALUE FOR 2013-14 SHOWS A DROP FROM 53 TO 47 MILLION WHICH WILL AFFECT THE SECOND SERIES OF BONDS AVAILABLE IN 2020. THE UNDERWRITER SUGGESTS THAT THE DISTRICT SHORTEN THE BOND ISSUE OR PAY OFF MORE OF THE BONDS IN THE FRONT END OF THE ISSUE.

ALSO UNIQUE TO THE AVFD BOND ISSUE IS THE SHORTFALL EFFECT OF THE TAX LEVY. THE UNDERWRITERS SUGGEST A FINANCING TIMELINE. FURTHER, PRIVATE PLACEMENT OF THE BOND ISSUE MAY SAVE THE DISTRICT MONEY, BUT MR. LEVELLI CAN ADVISE THE BOARD ON THIS MATTER.

DIRECTOR NEILSON INQUIRED ABOUT A CALL FEATURE ON THE BONDS. MR. ROSENFELD RESPONDED THAT THE BONDS COULD BE CALLABLE, BUT THAT ARIZONA BONDS ARE GENERALLY NONCALLABLE FOR A PERIOD OF 8-10 YEARS, AND CALLABLE THEREAFTER WITHOUT A PREMIUM. HE FURTHER EXPLAINED THAT INTEREST RATES ARE CURRENTLY THE LOWEST THEY HAVE BEEN IN 45 YEARS, SO THE ADVANTAGE OF A CALL FEATURE MAY NOT BE AN ISSUE. DIRECTOR NEILSON INQUIRED IF THE DISTRICT CAN LOCK INTO THE INTEREST RATE AT THE TIME OF ISSUE. MR. ROSENFELD RESPONDED THAT THE DISTRICT COULD LOCK INTO THE INTEREST RATE AT THE TIME OF SALE ON A PRIVATE PLACEMENT, BUT NOT FOR A PUBLIC SALE. MR. ROSENFELD STATED THAT THERE IS AN ADVANTAGE TO MOVING QUICKLY ON THE BOND ISSUE. UNDERWRITER MIKE LEVELLI WILL FURTHER ADDRESS THIS ISSUE. MR. ROSENFELD STATED THAT BOND INSURANCE IS A WAY TO MOVE THE BOND RATING TO A DOUBLE A (AA), BUT THAT IT IS NOT PRESENTLY KNOWN IF THE DISTRICT WOULD SAVE MONEY ON FUTURE ISSUES EVEN IF THE RATING ATTAINS AA.

THE PROPOSED RESOLUTION COMMITS THE DISTRICT TO LEVY TAXES STARTING IN FY13-14 AND TO PAY THE FIRST INTEREST PAYMENT ON JANUARY 1, 2014. PRINCIPLE PAYMENTS WOULD BE PAID ON JANUARY 1 AND JULY 1. MR. LEVELLI HAS PROVIDED A DEBT SERVICE SCHEDULE RUNNING THROUGH 2040 SHOWING THE FINAL PAYMENT ON JULY 1, 2040 BASED ON 5% INTEREST.

CHAIRMAN CASTENADA, JR. INQUIRED IF ALL COMMITMENTS NECESSARY TO ISSUE THE BONDS HAVE BEEN ACCOMPLISHED. MR. ROSENFELD STATED THAT THE ISSUE CANNOT BE FINALIZED UNTIL THE JUSTICE DEPARTMENT GIVES APPROVAL. HE FURTHER COMMENTED THAT CHANGES IN THE VOTING PROCEDURE HAVE TO BE APPROVED AND THE JUSTICE DEPARTMENT HAS TO GIVE PRECLEARANCE OR THEY CAN VOID THE ELECTION. CLERK BAUER INQUIRED IF THE DEBT SERVICE SCHEDULE WILL CHANGE IF THE DISTRICT PURCHASES BOND INSURANCE. MR. ROSENFELD REPLIED THAT IS A POSSIBILITY. DIRECTOR NEILSON INQUIRED ABOUT THE DISTRICT'S CURRENT BOND RATING. MR. ROSENFELD STATED THAT THERE IS NO BOND RATING PRESENTLY. VICE-CHAIRMAN LASSEN INQUIRED IF THE UNDERWRITER RECOMMENDS PURSUING A CREDIT RATING FOR THE BONDS. MR. ROSENFELD STATED THAT A PRIVATE PLACEMENT MAY BE A GOOD WAY TO PROCEED, SINCE THAT WOULD NOT REQUIRE BOND INSURANCE.

AFTER NO FURTHER DISCUSSION, VICE-CHAIRMAN LASSEN MOVED TO APPROVE RESOLUTION NO 2013-01 AS STATED :

RESOLUTION NO. 2013-01

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF AVRA VALLEY FIRE DISTRICT OF PIMA AND PINAL COUNTIES, ARIZONA GENERAL OBLIGATION BONDS, PROJECT OF 2012, SERIES 2013 IN ONE OR MORE SERIES, AND CERTIFICATES OF OWNERSHIP OF SUPPLEMENTAL INTEREST; DELEGATING THE AUTHORITY TO APPROVE CERTAIN MATTERS WITH RESPECT TO THE BONDS AND THE CERTIFICATES; PROVIDING FOR THE ANNUAL LEVY OF A TAX FOR THE PAYMENT OF THE BONDS AND THE CERTIFICATES; AUTHORIZING THE APPOINTMENT OF A REGISTRAR, TRANSFER AGENT AND PAYING AGENT; APPROVING THE FORM OF CERTAIN DOCUMENTS AND AUTHORIZING COMPLETION, EXECUTION AND DELIVERY THEREOF; DELEGATING THE AUTHORITY TO APPROVE AND DEEM FINAL A FORM OF OFFICIAL STATEMENT; PROVIDING FOR OPTIONAL FORMS OF FINANCING; RATIFYING ALL ACTIONS TAKEN OR TO BE TAKEN TO FURTHER THIS RESOLUTION.

CLERK BAUER SECONDED. AFTER NO FURTHER DISCUSSION A ROLL CALL VOTE WAS TAKEN AND THE MOTION CARRIED UNANIMOUSLY 5/0.

AT 11:50 AM CHAIRMAN CASTANEDA, JR. CALLED FOR A 15 MINUTE BREAK IN ORDER TO SIGN THE RESOLUTIONS WITH THE BOND ATTORNEY.

MEETING RESUMED AT 12:05.

**13) REVIEW, DISCUSSION AND POSSIBLE ACTION REGARDING THE ADOPTION OF THE 2012 FIRE CODE WITH LOCAL MODIFICATIONS**

ASSISTANT CHIEF KLEIN RECOMMENDED THAT THE BOARD ADOPT THE 2012 FIRE CODE WHICH IS THE MOST CURRENT VERSION OF THE CODE. VICE-CHAIRMAN LASSEN MOVED TO APPROVE ADOPTING THE 2012 FIRE CODE. CLERK BAUER SECONDED. AFTER NO FURTHER DISCUSSION, THE MOTION CARRIED UNANIMOUSLY 5/0.

DIRECTOR HORCH INQUIRED ABOUT WHO ACTS AS FIRE MARSHALL FOR THE DISTRICT. ASSISTANT CHIEF KLEIN RESPONDED THAT LLOYD BAKER WAS SERVING AS FIRE MARSHALL, BUT HE IS NOW ON MEDICAL LEAVE. HE FURTHER STATED THAT OUR FIRE CHIEF SERVES AS THE FIRE MARSHALL.

**14) REVIEW, DISCUSSION AND POSSIBLE ACTION REGARDING THE MODIFICATIONS TO THE DISTRICT'S ARIZONA STATE RETIREMENT SYSTEM (ASRS) BENEFITS POLICY.**

ASSISTANT CHIEF KLEIN POINTED THE BOARD TO THEIR PACKETS. HE STATED THAT CHANGES ARE NOW IN PLACE BASED ON RECENT LEGISLATION AND THAT THE ONLY EMPLOYEE CURRENTLY AFFECTED BY THIS IS HIMSELF, BUT EVENTUALLY IT WILL AFFECT CHIEF DELFS. VICE-CHAIRMAN LASSEN MOVED TO APPROVE THE MODIFICATIONS TO THE DISTRICT'S ASRS BENEFITS POLICY. CLERK BAUER SECONDED. AFTER NO FURTHER DISCUSSION, THE MOTION CARRIED UNANIMOUSLY 5/0.

**15) FUTURE AGENDA ITEMS**

Director Bauer requests that the Board revisit the idea of a Board retreat. She further commented that the AFDA conference is June 27-29 in Tucson.

**16) Adjournment**

Clerk Bauer motioned to adjourn the meeting.  
Vice-Chairman Lassen seconded.  
Vote was unanimous and the meeting adjourned at 12:09 PM.

Approved By: Sara Bauer

DATE: 3/27/2013