

MINUTES OF THE JOINT STUDY SESSION OF THE SHOW LOW CITY COUNCIL AND TIMBER MESA FIRE AND MEDICAL DISTRICT BOARD HELD ON TUESDAY, JANUARY 14, 2020 AT 7:00 P.M. IN SHOW LOW CITY HALL, DEUCE OF CLUBS ROOM, 180 NORTH 9TH STREET, SHOW LOW, NAVAJO COUNTY, ARIZONA

1. Call to Order.

Mayor Seymore called the meeting to order at 7:00 p.m.

2. Roll Call.

COUNCIL MEMBERS PRESENT: Mayor Daryl Seymore, Vice Mayor Mike Allsop, and Council members Brent Hatch, John Leech, Jr., Gene Kelley, and Connie Kakavas.

COUNCIL MEMBERS ABSENT: None.

TIMBER MESA FIRE AND MEDICAL DISTRICT BOARD MEMBERS PRESENT: Board Clerk Dennis Hughes and Board members Amy Kay and Ed Lindquist.

TIMBER MESA FIRE AND MEDICAL DISTRICT BOARD MEMBERS ABSENT: Board members Lynn Browne-Wagner and Paul Wyatt.

CITY OF SHOW LOW STAFF PRESENT: Ed Muder, City Manager; F. Morgan Brown, City Attorney; Justin Johnson, Deputy City Manager; Justen Tregaskes, Planning and Zoning Director; Bill Kopp, City Engineer; and Tamra Reidhead, City Clerk.

TIMBER MESA FIRE AND MEDICAL DISTRICT STAFF PRESENT: Bryan Savage, Fire Chief; Clay Wood, Deputy Chief; Randy Chevalier, Deputy Chief; Conrad Loney, Battalion Chief, Jo Baird, Human Resources; and others.

GUESTS: Jamie Adams, Jon Adams, Brandt Clark, Dawn Wilson, and others.

Councilman Kelley led the Council, Board, and audience in the pledge of allegiance.

Mayor Seymore gave the invocation.

3. Discussion Regarding Intergovernmental Agreement.

Mayor Seymore said he hoped the Council and Board could work together to find a solution to keep the Intergovernmental Agreement (IGA) in place. In the past the City and the Fire District had several IGAs and had a very successful working relationship. The main topic from the IGA that was up for discussion tonight was Essential Air Service standby coverage at the airport.

Mayor Seymore said the City supported Timber Mesa when they consolidated their services with several fire departments, which had been beneficial in improving the City's ISO rating and triggering lower homeowner insurance rates. Part of making that happen was the City having another fire station at the airport.

Mayor Seymore said the City had spent millions acquiring multiple water companies, which made it easier for people to do business in Show Low and for the Fire District to have the required fire flow. Acquiring the additional water companies was not simple and had taken several years to accomplish and was important to all who lived in Show Low. Another accomplishment was the consolidated dispatch services, which provided better response times during emergencies.

Mayor Seymore said the current IGA had been in effect for several years and would expire this year on November 30. Timber Mesa staff had approached City staff to look at changing some of the requirements in the IGA. Staff responded with a list of things the City was willing to do to alleviate some of the issues Timber Mesa had noted. The City provided a fire truck, firefighting facility, and maintenance at the airport because the Council and City staff felt it was important to make sure its citizens were protected. Those who flew into the airport felt they were safe because of the coverage provided by Timber Mesa when Boutique Airlines' planes landed. He felt that the City did the things they did best, and Timber Mesa did what they did best.

Mayor Seymore said there were some parts of the IGA where the two entities could continue to cooperate and other parts that might need to be adjusted or changed. He hoped tonight's conversation would be constructive and an agreement could be reached to continue having an IGA that would enhance quality of life for residents and that the two entities could continue to have a successful partnership.

Mayor Seymore asked for input from the Timber Mesa Board.

Board member Hughes said he appreciated this forum and believed in compromise and coming to a reasonable and positive resolution. The Board had a fiduciary responsibility to the tax payers, and they wanted to continue to be good stewards, managing the funds they had to operate on. He supported compromise.

Councilman Leech said the compromise was why this meeting was being held. Staff had met with the Timber Mesa chiefs a few times but had not reached a compromise, which was important because everyone cared about the citizens in this community. As a Council member, he liked the fact that when passengers arrived at the airport, they knew a fire truck and fire personnel were available in case of emergency. He felt the major issue in the IGA that needed compromise

had to do with Timber Mesa's standby time at the airport. There were other issues of less significance in the IGA that could be negotiated and worked through, but the Timber Mesa's standby time at the airport was the main issue. City and Timber Mesa staff couldn't seem to agree on a compromise in their discussions, so that was why the Council and Board were meeting tonight.

Board Member Lindquist said he was concerned about the Board's fiduciary responsibility. The Fire District had a tax limit they tried to maintain. The tax rate had decreased slightly, but keeping it down meant keeping their costs down. He agreed the main issue with the IGA was the required standby time at the airport. The Fire District would respond to any emergency at the airport even if they weren't on standby. From his understanding the standby was to take place whether the plane was full of passengers or if there were no passengers. He didn't think receiving an email from Boutique the morning of the flights regarding their schedule was sufficient or efficient. It was hard to plan schedules a week ahead when they received notice of changes in standby times from Boutique first thing every the morning. Firefighters were being taken out of service when they had to do the standbys.

Councilman Leech asked what he meant by standby. Board member Lindquist said the firefighters had to be at the airport a half hour before the plane landed and 15 minutes after it took off. The standbys were substantial costs to the Fire District when they could be using their time for something else.

Mayor Seymore asked what was lacking or not getting done because of time spent servicing the airport on standby. Board member Lindquist said crews were being taken out of service or missing trainings to do the standbys. If there were three flights per day, they were looking at about three hours a day out of service.

Board member Kay said Timber Mesa's upper staff couldn't manage the firefighting staff and where they needed to be when they received an email every morning about when they need to standby at the airport. Board member Lindquist said he didn't think the standby was mandatory.

Mayor Seymore asked if the main problem, then, was with Boutique's scheduling. Board member Lindquist said yes.

Mayor Seymore said Boutique had made some changes over the last year and a half and had been able to make arrangements to have more pilots available. The changes should help them be able to manage their flight times and help alleviate some of the delays. Currently, the number of flights and passengers was at an all-time high with more people flying than in the past. The City's concern was to offer a service that was reliable, and Boutique was working to do that. The standby was something that could probably be worked out since staff was made aware of a flight coming in within 20 minutes.

Board member Lindquist said the other issue was Timber Mesa was the only Fire District that covered an airport in the state of Arizona. All other airports were covered by a municipal fire department. In that case, if an engine was taken out of service to go to the airport, the City absorbed the costs. When Timber Mesa crews were on standby at the airport, they were not available for calls. If there were any calls, they would have to bring in trucks from the Fawn Brook or Linden stations.

Mayor Seymore asked if fire crews could be on standby at the airport and still be allowed to respond to calls since Part 139 was not required by the Federal Aviation Administration for the Show Low airport. Board member Lindquist said Part 139 did not cover standbys. It covered the Aircraft Rescue Firefighting (ARFF) or emergency contingency, but standby issues were not covered under Part 139.

Mr. Bahr clarified that Part 139 referenced fire crews being at the airport 15 minutes before a flight landed and 15 minutes after it departed. Board member Lindquist said he didn't see that when he read Part 139. Mr. Bahr said the reference was not listed under "ARFF" in Part 139 but was found under "General" where airport operations were referred to.

Councilman Leech said it seemed that communication with or from Boutique was lacking and had caused a lot of issues. Board member Lindquist agreed but also said there were issues with dispatching.

Vice Mayor Allsop said Boutique had canceled a lot of flights, and there should be some direct communications with the airport so Timber Mesa would know whether to respond or not. There was no need for Timber Mesa crews to go to the airport if there was a delayed or canceled flight. Good communication would minimize the standby time while still protecting the passengers.

Councilwoman Kakavas asked if Timber Mesa crews went to the airport even when they received a text that the flights were delayed. Board member Lindquist said Timber Mesa's schedule was established for three to six months. When they received a text from dispatch that a plane was landing or taking off or delayed, they had to adjust their schedule to be present at the right time for the standby.

Chief Savage said their crews were at the airport for about half an hour for each incoming and outgoing flight, but Boutique's times changed quite often.

Board member Lindquist said the biggest complaint was that Boutique wasn't consistent with their flight times.

Mayor Seymore asked if the standby time actually cost the district \$369,000 per year. Board member Lindquist said yes, considering the number of flights that

came in and the amount of time crews spent at the airport. Timber Mesa met all Part 139 regulations for ARFF, but the gist of the problem was the cost of the standby time.

Mayor Seymore asked what was different from when the IGA was approved in 2015 until now. Board member Lindquist said the number of flights had increased. Mr. Bahr said the only increase in the number of flights was one on Saturday and one on Sunday.

Board member Lindquist said the Fire District was growing, and they still had to comply with budget requirements. The City was also growing. It would help if the Fire District could cut \$369,000 for standby time out of their budget.

Mayor Seymore said it seemed like Timber Mesa wanted to provide less service to Show Low since they had brought White Mountain Lakes into the Fire District. Chief Savage said service provided to White Mountain Lakes was irrelevant to this conversation.

Board member Lindquist said the White Mountain Lakes community requested to be brought into the District. It wasn't for the good of Timber Mesa but was for the good of White Mountain Lakes. Mayor Seymore said he understood that forming and bringing Timber Mesa together was for the betterment of the entire community and that the City would be provided better service at the airport, and that it would help with ISO ratings. Board member Lindquist said consolidation was also under the auspices of being cost conscious. Tax rates had dropped for a lot of people across the board, which was the biggest single thing that came out of the consolidation.

Vice Mayor Allsop asked what the tax rate was per \$100. Chief Savage said it was \$2.97 per \$100.

Board member Lindquist said the tax rate was limited to a maximum increase of 5% per year. Last year the rate had been \$2.98 but had dropped to \$2.97 this year.

Vice Mayor Allsop said due to the City's growth, it had to purchase a couple of water companies to be able provide sufficient water for its residents and for the Fire District. That had been a great asset to the ISO rating because of the water pressure provided and amount of water available to the district.

Board member Lindquist said the District had been able to reduce tax rate by one cent and they projected it could be reduced to around \$1.96 [sic] (\$2.96) in the next couple of years. Their goal was to be one of the only major taxing districts that didn't increase taxes every year.

Councilman Kelley asked for clarification whether the firefighters were required to respond when the Boutique planned flew in or out. Mr. Bahr explained that Show Low's airport was a Part 139 airport, and as such, was required to have fire services on site 15 minutes before and after each flight.

Councilman Kelley said he didn't think it was required. Mayor Seymore said if the airport gave up its Part 139 rating, then it wouldn't be required. The airline could still use the airport, but it would not have the 139 rating.

Councilwoman Kakavas clarified that the Part 139 requirement only applied when a commercial plane was carrying ten passengers or more. Councilman Kelley said Boutique's plane only carried eight to nine passengers. Mr. Bahr said that was correct.

Mayor Seymore said if the City ever needed a larger carrier, then the airport would be required to have the 139 rating.

Councilman Kelley asked how many firefighters were dispatched to the airport as standby. Board member Lindquist said three firefighters. Councilman Kelley said since they were not required to be there because Boutique's plane didn't carry ten or more passengers, it seemed that it was possible that they could be pulled off standby if another call came in to which they needed to respond.

Councilman Kelley wondered if the airport was in the Town of Pinetop-Lakeside, whether Timber Mesa would be asking them to pay the fee for standby and not ask Show Low to pay.

Mayor Seymore said the airport was a regional airport and wondered why the standby cost wasn't everyone's problem. Board member Kay asked for clarification if the airport was a regional airport. Councilman Leech said yes, it was named Show Low Regional Airport.

Board member Kay said since Pinetop-Lakeside or any other towns didn't contribute money toward the airport, then it would be considered a municipal airport. Councilwoman Kakavas said the airport was municipal but also regional because of where it was located. It was for the betterment of the surrounding communities. It was a federal decision to say that the Essential Air Service (EAS) was needed in this community for transportation and that it was a necessity to have it available for all citizens in this region.

Board member Lindquist said three airports in Arizona were named EAS airports. Mr. Muder said Show Low has had EAS service at the airport for well over ten years. The EAS agreement in Show Low was renewed every four years.

Board member Hughes asked if any degradation of the airport posed any jeopardy to the City and if it was a requirement in order to provide EAS service at

the airport. Mr. Bahr said the EAS didn't give any designation to the airport, but it had to do with the commercial airline service and the airline that was providing that service. Mr. Muder said Boutique Airlines received a subsidy from the federal government.

Mayor Seymore if the airport was no longer a Part 139 airport, there would be no use for the foam or the fire station there. He asked how the District would deal with the foam and the fire truck at the airport if there was a problem with a private plane flying in. Board member Lindquist said there were a lot of options. It was possible to apply for grants; however, Timber Mesa didn't have a grant writer. Their grant applications were written by the Pinetop fire chief.

Councilman Leech agreed with Councilman Kelley that if there was a call for a structure fire, the crews at the airport could leave and respond. He suggested that Show Low's airport staff be ARFF trained. Chief Savage said the previous airport manager required that the doors on the ARFF building be opened when a Boutique plane was landing or taking off, but they no were longer opening the doors. Councilman Leech asked if the standby crew went out near the plane when it landed. Chief Savage said no, but if a plane went down, the crew would be there to respond.

Mr. Bahr said there were certain requirements to keep the Part 139 certification. One requirement was that the firefighters couldn't leave if they received a call. The response time required for keeping the 139 certificate was to respond to an incident anywhere on airfield within three minutes. Timber Mesa had been able to do so during inspections. There needed to be a quick response because aviation fuel and jet fuel were very flammable, and any injuries would need to be taken care of.

Mayor Seymore asked what would happen if the air carrier service held more than nine passengers. He hoped to find a way to manage what was currently at the airport that would be equitable for both parties.

Councilwoman Kakavas said \$369,000 sounded like a large amount of money for being at the airport twice a day. That equated to over five FTEs at \$35 an hour. She asked how they calculated the \$369,000 and what it was based on. Chief Savage said he used an average hourly rate from among their 72 firefighters and applied it to 1,900 flights on an hourly basis and added in training costs, which came to \$369,000. If the City was billed the same as they billed outside taxpayers, the amount would be \$3.5 to \$4 million.

Councilwoman Kakavas asked why the City was being billed overtime instead of straight time. Mr. Muder said the overtime was billed on the training costs not on the standby time. Councilwoman Kakavas asked if the firefighters could be trained during regular business hours. Chief Savage said no, they trained on night burns for several days, so staff was on overtime to train those crews.

Mr. Bahr stated in response to emergency vehicles at the airport, there had been crashes by other planes, and the fire trucks, other than foam truck, arrived as fast as or faster than the foam truck because the foam truck personnel weren't there. It was close to the FAA's required time limit.

Councilwoman Kakavas asked if it was possible for the City to hire its own off-duty firefighters and then keep the 139 certificate. Councilman Leech said yes, he thought the City could do that or train City personnel to operate the foam truck. Councilwoman Kakavas would hope that wouldn't be the answer, but City staff had offered compromises that had not been favorably considered.

Vice Mayor Allsop said there had been over 100 cancellations over a three or four month period last year, so even though 1,900 flights were ideal, that wasn't the actuality. Another concern he had was that when the City had to raise utility rates, they did so in smaller increments rather than increase in one large amount, which could be difficult for some customers to deal with. He wondered why Timber Mesa wouldn't be willing to do something similar.

Board member Lindquist said there was room to negotiate, but there were things that needed to be worked out. The intention with the IGA was not to make changes unless all parties were in agreement.

Mayor Seymore said to make cost adjustments in the middle of the fiscal year was difficult. The City needed to have time to plan ahead instead of being asked mid-fiscal year to pay a large amount. Large items needed to be included in budget planning instead of added mid-cycle.

Councilman Kelley didn't understand isolating a particular significant cost for something that was within the District; even though, the District was larger than just the city limits of Show Low. The hospital had a very tall building and probably required special equipment in case of a fire, which no other building in the District would need. He asked if the hospital would be charged for that piece of equipment or if it would be considered part of the normal operating costs of the District.

Board member Kay said the District's employees weren't doing standby at the hospital. If there was an emergency, they would of course respond. With the airport, the firefighters were out of service while they were on standby and weren't able to respond to any calls. The hospital didn't require any special firefighting equipment that was different than what was required for Solterra Senior Living, for example.

Councilman Kelley said Show Low had the largest geographical boundaries within the Fire District which would provide the District with more money than other areas within the District. He said if it was legal to pull the firefighters from

the airport if there was a structure fire, then they should be pulled. If it wasn't legal, then of course they would have to be dispatched from somewhere else. Show Low had enough trained police officers that they were able to help other municipalities and the county when needed, but the City didn't charge them extra when its officers were asked to provide backup. He felt the City and the District would be better off to continue to work together and figure out a way to keep the costs down for Timber Mesa while still providing the needed.

Board member Kay asked if Boutique Airline set the price of the plane tickets. Mayor Seymore said yes, but there was no way they could increase the ticket price enough if the airport was not an EAS airport. The federal government provided a subsidy to Boutique of \$1.2 to \$1.8 million every year. They could possibly add \$5 or \$10 to the price of the ticket and still make it affordable for the passengers.

Mayor Seymore said the City spent millions installing waterlines and pressure tanks and maintaining them, and the City had never billed the District for use of the water system. Councilman Kelley said if fire protection was not a consideration, many of the two-inch lines that the City replaced with larger lines would have been adequate to deliver water to the homes but not enough for the Fire District to extinguish fires. He agreed the City had spent millions of dollars to provide adequate fire flow.

Chief Savage said the District paid for their water usage. Councilman Leech asked if they paid for the water that they used from the fire hydrants. Chief Savage said no, they paid for the water they used at their facilities. Councilman Leech added that the District also used the City's water at no cost for training purposes.

Vice Mayor Allsop asked if the Fire District maintained the fire hydrants. Chief Savage said yes. Vice Mayor Allsop clarified the Fire District did routine maintenance. The City performs major repairs and replaced the fire hydrants when needed.

Board member Hughes said both entities had the same goal, but the task was to figure out how to get there.

Mayor Seymore said there was an IGA in place. Both entities needed to review it to see what was of most concern in the agreement and what needed to be changed. He hoped they could continue to work together as partners.

Councilman Leech felt that City staff and Fire District staff needed to meet again to discuss the issues.

Board member Lindquist said some things were discussed tonight that needed to be discussed, including the Part 139 requirement. He added that he didn't think the

City could train 12 people to replace what the Fire District did for them. Councilman Leech said no, but the City could hire those who were already trained.

Board member Lindquist said the Part 139 stated that one person that was trained had to be at the airport in the case of an emergency.

Mr. Kopp said the 1,900 Boutique flight operations included every arrival and every departure. The planes landed, sat on the ramp while it unloaded and reloaded. That was considered two operations. Even though 1,900 sounded like a lot of flights, that number included the takeoff and landing. He assumed that Timber Mesa crews stayed at the airport while the plane unloaded and reloaded. Chief Savage said yes, typically.

Mr. Bahr said the turnaround time to unload and reload was about an hour.

Mr. Kopp said the Part 139 certificate was related to more than just the ARFF and emergency services. There were many things involved with it, including lightings, markings, record keeping, and training. It was not required with the current carrier, but some air carriers had larger planes. Even though now it was optional, in the future if a larger aircraft was needed, the Part 139 would have to be in place.

Councilman Leech asked when the Boutique contract would expire. Mr. Muder said 2.5 more years.

Dawn Wilson, Show Low resident, asked if other cities and towns could be assessed a share of the cost. Mayor Seymore said the airport was a regional airport and felt the standby cost shouldn't just be borne by Show Low.

Ms. Wilson asked if Timber Mesa had approached other municipalities about the cost. Chief Savage said no, just Show Low.

Councilman Leech asked if there was any record of where the passengers who landed at the airport were from. Mr. Bahr said no. Mr. Muder said staff's guess was that the number of passengers from Show Low was significantly less than 50%.

Mayor Seymore said the Council and the Board knew what was at stake and recommended that they, along with staff members, have further discussions, keeping in mind that the entities needed to work as partners. He would like to see any necessary adjustments and changes made to the agreement without any finger pointing or casting blame. If the standbys ended and a tragedy happened at the airport, the question would be asked about what had been gained by not having the standbys. A tragedy would be much more expensive than any cost associated with the standbys.

Board member Kay said she appreciated the feedback she heard tonight from the City and felt she could now sit down with the other board members and talk through the agreement. Hearing both sides of the story was beneficial for her.

Mayor Seymore thanked the Fire District and City staffs for what they had done to try to work through this issue. He hoped both entities would continue to work together in a cooperative manner.

4. Adjournment.

There being no further business to be brought before the Council, **MAYOR SEYMORE ADJOURNED THE JOINT STUDY SESSION OF THE SHOW LOW CITY COUNCIL AND THE TIMBER MESA FIRE AND MEDICAL DISTRICT BOARD OF JANUARY 14, 2020 AT 8:07 P.M.**

ATTEST:

APPROVED:

Tamra Reidhead, City Clerk

Daryl Seymore, Mayor

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CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the **JOINT STUDY SESSION** of the City Council of Show Low and Timber Mesa Fire and Medical District Board held on January 14, 2020. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 20____.

(SEAL)

Tamra Reidhead, City Clerk