

**TOWN OF KEARNY
SPECIAL MEETING MINUTES**

**A SPECIAL MEETING OF THE TOWN COUNCIL OF THE TOWN OF KEARNY, ARIZONA, AT
THE KEARNY TOWN HALL LOCATED AT 912-C TILBURY DRIVE ON
MONDAY, AUGUST 31, 2020, AT 1:00 P.M.**

COUNCILMEMBERS PRESENT

Mayor	Debra Sommers
Vice Mayor	Daniel Radcliffe
Councilmember	Nancy Hinojos
Councilmember	Sheila Stephenson

COUNCILMEMBERS ABSENT

Councilmember	Rose Bradford (absent, excused)
Councilmember	Rudy Flores (absent, excused)
Councilmember	Samantha Misita (absent, excused)

TOWN STAFF PRESENT

Town Manager	Jeff McCormick
Town Clerk	Martina Burnam
Accounts Payable Clerk	Amanda Kenney
Fire Chief	Kenneth Piggott
Ambulance Supervisor Paramedic	Lora Snow
EMT	Jeff Laiklam
EMT	Alyssa Romero

VISITORS PRESENT

Pat Walker Consulting LLC	Pat Walker
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CALL TO ORDER/PLEDGE OF ALLEGIANCE

Mayor Sommers called the meeting to order at 1:02 p.m. followed by the Pledge of Allegiance.

ROLL CALL

Mayor Debra Sommers requested Town Clerk, Martina Burnam, to call the roll. Quorum was present.

NEW BUSINESS

**DISCUSSION AND ANALYSIS OF FINANCIAL INFORMATION FOR THE KEARNY
AMBULANCE**

A listing of total regular wages and overtime for Ambulance employees, broken down by each payroll period during the past four years.

Additional documents illustrate the number of Ambulance write-offs for Medicaid, Medicare and Self-Paid Ambulance Patients, along with the number of Ambulance calls; the type of calls and methods to transport patients; the number of calls by insurance type; and the location of callers/patients (the community where the call originated).

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The Kearny Ambulance Service is currently out of compliance with federal labor laws, and has been out of compliance with federal labor laws since 21014. The proposed modified scheduling practices bring the Ambulance back into compliance with federal labor laws.

Working with an attorney who specializes in labor law, the Town Manager Jeff McCormick and the attorney fine-tuned the policies to be compliant with the Fair Labor Standards Act (federal labor laws) and minimize overtime.

Overtime hours jumped more than 1,000 hours (1,035 hours) during the last year, from Fiscal Year 2018-19 to Fiscal Year 2019-20. The jump in overtime hours increased 56% from the prior Fiscal Year, July 2019 to June 2020, and accrued an added increase of 46% from Fiscal Year 2018-19.

Ambulance overtime increased 102% over the last two Fiscal Years.

One Ambulance employee was allowed to accrue over \$13,000 in overtime last year.

Sick hours incurred has increased 637%, starting in Fiscal Year 2017-18 until 2020. Town Clerk Martina Burnam informed the Town Council the new Paid Sick Leave for Part Time employees started on July 1, 2017. Which could account for the increased sick hours.

A presentation of the financial history and budget forecast was given by Pat Walker of Pat Walker Consulting, LLC.

Vice Mayor asked why our operating expense went up in 2019-2020 from \$39000 to \$100,000 from the previous year? Pat Walker said because you bought a new ambulance. Councilmember Hinojos asked if we are getting help for those expenses? Mayor Sommers said we are still waiting for feedback from the meeting that took place with Pinal County, Gila County, Town of Hayden, Town of Winkelman and Town of Superior.

Fire Chief Piggott, in another year and half when the ambulance is paid off does the deficit go back up to \$148,000? Since we are not putting money aside for the payment. Pat Walker if you don't include the depreciation, you are much more in the hole.

Councilmember Hinojos mentioned that the revenue billing looks to have gone down. Is there a reason for that? Ambulance Supervisor Snow says she has always thought that our billing company was inadequate. Councilmember Hinojos asked what were we doing before? Ambulance Supervisor Snow said we used to get approximately \$40,000 per month, now we are down to \$25,000 a month. We just asked the Department of Health Services for a transport rate increase and are waiting to hear back from them.

Councilmember Hinojos asked Town Manager McCormick if we have reached out to the billing company to ask why the decrease in billing. Town Manager McCormick stated, we have reached out and have been looking at other options. One of the reasons for the decrease is because those are all audited verified numbers. That amount will change once it is audited.

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Councilmember Hinojos asked about the other high expense of overtime. Ambulance Supervisor Snow explained, that she only has 2 full-time employees and the rest are part-time with other jobs in other cities. So, in order to fill the schedule, the full-time employees who are available work the overtime. When the ambulance crew was told they would only get paid when called out during a 12-hour shift, most of them went to their other employers to request overtime. This created a shortage of employees and as of now, the schedule for September is not filled 24-7.

Councilmember Hinojos asked if overtime was the reason for coming here. Ambulance Supervisor Snow said no, they liked the area and there is less competition, so they are able to practice their skills more. But they can't afford to wait around for a call here in town to get paid.

Councilmember Hinojos asked how many employees are on your roster? Ambulance Supervisor Snow stated about 12, 1 that is full-time. Councilmember Hinojos asked why that isn't enough to fill the schedule? Ambulance Supervisor Snow stated because a lot of times, the days available or unavailable from the part-timers are the same dates.

Pat Walker wanted to state this is probably the most difficult thing to decide between all the resources we have, is to decide between A and B. You did raise sales tax, to did cut back on expenditures, you did raise water and sewer revenues, you have done just about everything you could. But you are that point where you have no money in your general fund to support these costs. So, we have to choose something. It's going to be a hard decision, because next year you will have to cut your expenditures because you won't have any money to transfer out. Now is the time to talk about it before it happens.

Town Manager McCormick talked about Lee Iacocca, how when he took over as CEO of Chrysler in 1979 when they were in a serious deficit. The first week there, he talked to all the union members and union reps, and basically told them, they are all part of this family and in order to make this company solvent again, I need a decision. The decision is to either to ask all your employees to take a pay cut. Which the Town of Kearny is not asking any of our employees here to do, just trying to reschedule our work schedule to be in compliance with the law, which we've been out of since 2014. But Mr. Iacocca, also said, if you don't choose tonight to take that pay cut, I have to go tomorrow down to the federal court house and file for bankruptcy. Everyone chose to take the pay cut, so that the Chrysler company would remain solvent. That is where the Town of Kearny is, on the brink of being insolvent. So, a few options are in the works. However, there are going to be some difficult decisions on the horizon.

This item was for information only and no items need voting on.

DISCUSSION AND POSSIBLE APPROVAL OF RENEWAL OF AN AGREEMENT WITH AERO MED CLAIMS

Aero Med Claims provides billing services for the Kearny Ambulance. Aero Med's contract is due to be renewed.

Aero Med invoices the Town of Kearny for 7.75% of collections for that period. The contract does have a 90 notice for termination from either party should the need arise.

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Councilmember Stephenson asked if that is who the Town of Kearny deals with now. Mayor Sommers stated that is correct. When does this have to be renewed? Town Manager McCormick stated today. However, it can be canceled with a 90-day notice. Mayor Sommers stated he has been researching other billing agencies.

Motion by Councilmember Stephenson, **second** by Councilmember Hinojos Approve of Renewal of an Agreement with Aero Med Claims. **Vote** – Mayor Debra Sommers, Vice Mayor Daniel Radcliffe, Councilmembers Nancy Hinojos and Sheila Stephenson all voted in favor of the motion. **MOTION PASSED.**

DISCUSSION AND POSSIBLE APPROVAL OF RENEWAL OF AN IGA FOR FIRE DEPARTMENT DISPATCH SERVICES BETWEEN THE SAN MANUEL FIRE DEPARTMENT AND THE TOWN OF KEARNY

Renewal of an IGA with San Manuel Fire for Dispatch Services is included. This contract is renewed annually. In the amount of \$8,000 in total to be paid quarterly. The rate was increased \$500 due to minimum wage increases.

Motion by Vice Mayor Radcliffe, **second** by Councilmember Hinojos to Approve Renewal of an IGA for Fire Department Dispatch Services between the San Manuel Fire Department and the Town of Kearny. **Vote** – Mayor Debra Sommers, Vice Mayor Daniel Radcliffe, Councilmembers Nancy Hinojos and Sheila Stephenson all voted in favor of the motion. **MOTION PASSED.**

DISCUSSION AND POSSIBLE APPROVAL OF RENEWAL OF AN IGA FOR FIRE DEPARTMENT DISPATCH SERVICES BETWEEN THE TOWN OF HAYDEN AND THE TOWN OF KEARNY

Renewal of an IGA with the Town of Hayden Fire, Police and Ambulance for Dispatch Services. Due to Hayden's financial situation, an advanced copy of the IGA with Hayden was forwarded to Mayor Hettrick so the agreement can be reviewed before being submitted to the Hayden Town Council for consideration. We are addressing the issue if the Town of Hayden will be paying for the maintenance of their dispatch equipment. The Agreement states the Town of Hayden will pay the Town of Kearny \$22,000 on an annually. The Town of Kearny will invoice the Town of Hayden semi-annually for \$11,000 payable on December 1st, 2020 and the remaining balance to be paid on June 1st of the following year.

Motion by Councilmember Stephenson, **second** by Vice Mayor Radcliffe to Approve Renewal of and IGA for Fire Department and Police Dispatch Services between the Town of Hayden and the Town of Kearny. **Vote** – Mayor Debra Sommers, Vice Mayor Daniel Radcliffe, Councilmembers Nancy Hinojos and Sheila Stephenson all voted in favor of the motion. **MOTION PASSED.**

INFORMATIONAL ITEMS

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USDA Rural Development requested from Bank of the West transfer \$13623 from the Town's line of credit to install 850 meters. It was discovered 22 water meters had been left off the total. The funds will be reimbursed by the USDA Rural Development according the agreement with the Town of Kearny. A new subcontractor Second Sight Systems began working on the water meters is replacing PMI, due to PMI not being able to supply enough manpower because of COVID-19 related issues. The work should be completed before the October 18th deadline.


The Arizona League of Cities and Towns gives out annual service awards. This year we have 2 recipients Mayor Debra Sommers for 20 years of service and Councilmember Sheila Stephenson for 16 years of service. Congratulations to you both! The certificates will be mailed out later by the Arizona League of Cities and Towns.

ADJOURNMENT

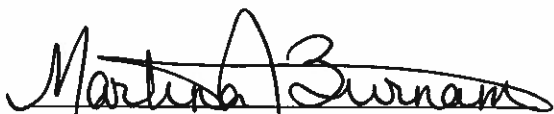
Motion by Councilmember Stephenson **second** by Councilmember Hinojos to adjourn the Special Meeting.
Vote – Mayor Debra Sommers, Vice Mayor Daniel Radcliffe, Councilmembers Nancy Hinojos and Sheila Stephenson all voted in favor of the motion.

MOTION PASSED.

Meeting was adjourned at 1:51 p.m.


Debra Sommers, Mayor

ATTEST:


Martina Burnam, Town Clerk


Jeff McCornick, Town Manager