

**MINUTES OF THE REGULAR MEETING OF GOVERNING BOARD OF THE
NORTHERN ARIZONA FIRE DISTRICT
THURSDAY, DECEMBER 16, 2021**

The Governing Board of the Northern Arizona Fire District met this 16th day of December 2021, at 6:00 p.m. for its regular monthly meeting at the Fire Administration Building at 2600 E Northern Avenue, Kingman, Arizona.

1. **CALL TO ORDER** – The meeting was called to order by Chairman Bailey at 6:00 p.m.
2. **PLEDGE OF ALLEGIANCE** – Chairman Bailey led the Pledge of Allegiance.
3. **ROLL CALL OF BOARD MEMBERS** – Board members present were Chairman Jim Bailey, Director Mike Collins, Director John Bryant, Director Sue Wilkin, and Director Sue Brown.
4. **CALL TO THE PUBLIC** – The District may, but is not required to, give the public an opportunity to speak to any issue. A.R.S. §38-431.01(H) – 3 members from the community spoke and gave their opinion about current board members and concerns for the district with the selection of Interim Fire Chief.
 - Arthur Garnica
 - Bryon Kimber
 - Kenny Cameron
5. **APPROVAL OF MINUTES** – Director Bryant moved to approve the consent agenda containing the following minutes as submitted. Seconded by Director Collins.
 - Regular Meeting minutes of November 18, 2021
 - Special Meeting minutes of November 22, 2021
 - Executive Session minutes of November 22, 2021
 - Special Meeting minutes of December 2, 2021
 - Executive Session minutes of December 2, 2021
 - Special Meeting minutes of December 14, 2021Passed unanimously.
6. **REPORTS AND CORRESPONDENCE**
 - A. Chief's Report – Chief Yeager gave his report in accordance with his memorandum and the Monthly Performance Report, both in the board packet.
 - B. Financial Report – No discussion.
 - C. Correspondence – NAFD received several Christmas cards from the community.
7. **DISCUSSION AND POSSIBLE ACTION RE:**
 - A. **Approval of the November Financial Report.** Director Bailey made the motion to approve the November financial report as submitted. Director Wilkin seconded the motion. There were no questions or comments. Passed unanimously.
 - B. **Review, discussion, and possible action to enter into the Dissemination Agent Services Agreement with BLX Group LLC to provide certain dissemination agent services as**

set forth in NAFD's Continuing Disclosure Agreements as part of the Certifications of Participation transaction.

At the November Board meeting, the Board approved the Certificates of Participation transaction to fund NAFD's unfunded PSPRS liability. Part of that transaction includes a Continuing Disclosure Agreement under which NAFD has ongoing reporting obligations. At the November Board meeting, the Board directed Stifel to facilitate bids for a dissemination agent to assist NAFD in carrying out its continuing disclosure obligations. In response, Stifel provided its recommendation of BLX to provide dissemination agent services to NAFD.

Director Collins made the motion that it is in the best interests of NAFD to use a dissemination agent to assist NAFD in complying with its obligations under its Continuing Disclosure Agreement and further to approve the Dissemination Services Agreement with BLX Group LLC and to authorize the Chairman to sign the Agreement on behalf of NAFD. Seconded by Director Brown. No further discussion. Passed unanimously.

C. Review, discuss, and possible action regarding the Dec. 7, 2021 public records request submitted by Arthur Garnica.

The District's attorney Donna Aversa reported that included in their board packets for this item are copies of the following items:

- Arthur Garnica's December 7, 2021 Public Records Request which is the most recent request he submitted;
- Copy of the District's response to the records request which includes:
 - NAFD Budget for FY 2021-2022; and
 - QuickBooks journal of NAFD's legal expense from April 30, 2020 through October 31, 2021;
- Aversa letter from October 22, 2021 as directed by the NAFD Board, to Garnica following his complaint to BOS requesting an investigation;
- September 30, 2019 Court Order dismissing Garnica/Veradt lawsuit; and,
- The November 4, 2021 Order from Mohave County Justice Court.

This matter is on the agenda to address not only Arthur Garnica's December 7, 2021 public records request but also to address the continuing implied accusations that Mr. Garnica continues to pursue against NAFD and individual board members.

Aversa reported on previous actions from Mr. Garnica as related to his current public records request to put the current request into context.

In January 2019, Mr. Garnica and Mr. Veradt filed a lawsuit against Northern Arizona Consolidated Fire District #1 (now NAFD), Jim Bailey; Michael Collins; Erik Berg and John Bryant; and Former Director Carl Hays, Mohave County Superior Court Case No. No. CV2019-00077.

- NAFD's lawyers, appointed to represent NAFD by NAFD's insurance carrier, filed a Motion to Dismiss the lawsuit.
- By its order dated May 31, 2019, the Court granted NAFD's Motion to Dismiss the lawsuit and granted Garnica and Veradt the opportunity to file an amended lawsuit.
- On June 28, 2019, Garnica and Veradt filed an amended lawsuit.

- On July 22, 2019, NAFD's lawyers filed a motion to dismiss the amended lawsuit, referring to the Garnica/Veradt lawsuit as "virtually indecipherable."
- On September 30, 2019, the Court dismissed the Garnica/Veradt lawsuit and further stated, "based on the history of this case and the two attempts thus far to draft a cognizable complaint, Plaintiffs (Garnica/Veradt) shall not be allowed to file another amended complaint."
- The time for Garnica to appeal has expired.

On September 20, 2021, while the Mohave Superior Court was considering the dismissal of the Garnica/Veradt lawsuit, Mr. Garnica sent the Board of Supervisors his complaint against NAFD Board Members Jim Bailey/John Bryant/Mike Collins and former Board Members Erik Berg/Carl Hayes alleging Misuse of Public Monies/Conflict of Interest requesting the BOS investigate.

- In his letter Garnica says "Directors used attorneys through the fire district insurance company to represent them in a lawsuit filed against them as individuals by Rick Veradt and myself."
- Garnica claims that is somehow improper that NAFD's insurance carrier provided a defense (which it is obligated to do under the terms of NAFD's coverage).
- On Sept. 22, 2021, Mohave County Attorney notified Garnica that the BOS would not investigate, and noted that in May 2019 Mr. Garnica made a similar request for the BOS to investigate NAFD.

At the NAFD Oct. 21, 2021 Board meeting, the NAFD Board directed Aversa to notify Mr. Garnica that the NAFD Board denied Garnica's request for an investigation into the use of NAFD's insurance coverage to defend NAFD Board members.

- From the letter - "If you have a sincere concern with NAFD's expenses incurred in defending frivolous claims, then stop making them."

Part of Mr. Garnica's public records request is for minutes and agendas. Anyone who wants to see agendas and minutes can find them, available for free, on the NAFD website with no need to submit a public records request.

Mr. Garnica requests among other things "copy of agenda and meeting minutes authorizing Jim Bailey and John Bryant to use fire district insurance company to defend them" in Eder v. Bailey, Bryant, and Mohave County Newspapers, Inc. There are none. The insurance carrier assigns defense counsel under the terms of NAFD's insurance coverage.

Although Mr. Garnica's lawsuit was dismissed by the Mohave County Superior Court in 2019, and he did not appeal that decision, Mr. Garnica continues to rehash the same and similar issues from his failed lawsuit.

Aversa emphasized to the Board that there is nothing improper about an insurance carrier assigning defense counsel and providing a defense to its insured. This is a matter of contract as specified under the terms of insurance coverage.

Mr. Garnica requests agenda/minutes authorizing Chairman Baily "to file a criminal complaint and request prosecution" of Mr. Garnica. There are none. Any individual can contact law enforcement/911 to make a complaint about disruptive/abusive/threatening conduct that they observed or that was a concern to them; therefore, Chairman Bailey, as

with any other Board Member, did not need Board approval to contact law enforcement. Chairman Bailey made a complaint following his observation of inappropriate conduct by a member of the public directed to NAFD's former Admin. Assist.

The County Attorney, not Bailey, brought the matter to Justice Court in the matter of State v. Garnica, Justice Court, Kingman/Cerbat Precinct, Case No. CM2021-00464. On Nov. 4, 2021, the Judge determined that "Although Garnica may have been disruptive while at District property, after consideration, the Court finds the State did not meet the burden of proof required that Garnica "remained" unlawfully."

Mr. Garnica requests agenda/minutes authorizing Chairman Bailey and Director Bryant "to use fire district insurance company to represent them in" the case of *Eder v. Bailey, Bryant, and Mohave County Newspapers, Inc.*, Mohave County Superior Court Case No. CV-202001194. The law firm of Koeller, Nebeker, Carlson, Haluck, LLP (NOT Aversa) represents Bailey and Bryant under the contractual terms of NAFD's insurance coverage. Koeller, Nebeker, Carlson, Haluck, LLP. was appointed by NAFD's insurance carrier to represent Chairman Bailey and Director Bryant.

In response to Mr. Garnica's request for a copy of the agenda and minutes authorizing Chairman Bailey to conduct criminal background investigations on private citizens, there are none. Chairman Bailey reported that he did not conduct any criminal investigations or background checks. He reported that at a point when Arthur Garnica started making accusations and verbally attacking him, Chairman Bailey went to the County Attorney's Office to find out who Arthur Garnica was. Chairman Bailey also stated that he does not speak on behalf of NAFD or the rest of the board members.

Chairman Bailey made a motion - to be clear that Mr. Garnica's request has been addressed, I move that NAFD's response to Arthur Garnica's Public Records Request be mailed to him at the address he provided on the request form. Seconded by Director Collins. There was no discussion. Passed unanimously.

D. Update on the status of the pending contract for sale, review, discussion, and possible action regarding the sale of 2485 E. Northern Property.

Under the original contract for sale, closing was set for November 22, 2021. Due to issues with the Buyer's original lender, the closing was extended to February 22, 2022 to close the transaction. The addendum from November 2, 2021 also allows time for a commercial appraisal to be obtained from the buyer. The buyer was wanting to see if there were any other options to purchase, asking the district if a lease purchase would be acceptable or any other funding to complete the sale.

Chairman Bailey made motion that since the buyer has until February 22, 2022 to obtain the appraisal and financing that no action needs to be taken on the contract at this time; and, in the event the Buyer obtains a lender's commitment that Buyer may approach NAFD to request a reasonable extension to obtain the appraisal and finalize the transaction; and, that NAFD's broker is encouraged to pursue back-up offers in the event buyer is unable to close this transition. Seconded by Director Wilkin. No discussion. Motion passed unanimously.

E. Expiration of Kingman IGA.

Chief Yeager stated as recommended by the Board, he reached out to Western Fire Chief's Association. On Dec. 15, Chief Yeager participated in a positive Zoom meeting with WFCA. Chairman Bailey, BC Scott, Paris Schuman, and Donna Aversa also participated. WFC has reached out to several qualified chiefs for potential interest. Chief Yeager has received two phone calls from Chief's that needed more information as far as demographics and call volumes. WFCA is doing it's best to try and get somebody interested sometime in January. When WFCA receives qualified candidates, they will forward to Chief Yeager. From there, interviews can be scheduled.

Chairman Bailey stated this is a temporary position, with two or three internal candidates who may be interested also in the permanent position. The Interim Fire Chief will get the District through the budget period. The Interim Fire Chief can be a resource for professional development for NAFD employees. As of 31st of December, the Kingman IGA expires and Chief Yeager will no longer be contracted as the NAFD Chief.

There is no action required.

8. **ANNOUNCEMENTS** – Chairman Bailey stated there is the AFDA Winter Conference training January 20-21, 2022 that will be held in Tucson, AZ. Chairman Bailey, Director Brown, and Director Bryant will all be attending. The conference is scheduled for during the next regular board meeting, which would need to be re-scheduled. The board decided to have the next regular meeting on January 27th, 2022.

The board was also provided a pre-pricing packet from Stifel on schedules and savings. The District received an email congratulating the district for a successful sale of the bonds.

9. **ADJOURNMENT** – Chairman Bailey moved to adjourn the meeting and Director Wilkin seconded it. Passed by unanimous decision. Motion carried. The meeting was adjourned at 6:47 p.m.

These minutes were prepared and posted by Paris Schuman on December 21, 2021.


James Bailey, Board Chairman


Mike Collins, Board Clerk