



**MEETING MINUTES
MAY 19, 2018 REGULAR SESSION
FOREST LAKES FIRE DISTRICT BOARD**



- 1 The meeting was called to order in the main equipment bay of the fire station by Chairman John Nelson at 9:58 am.
- 2 Chairman Nelson led the assembly in the pledge of allegiance.
- 3 Roll Call of Fire Board Members. In addition to Chairman Nelson, Clerk Hennessey, Treasurer Cummiskey, Member Tolby and Member Massion were present.
- 4 Chairman's Welcome and Activity Report. Chairman Nelson welcomed all in attendance. He announced that Coconino County Supervisor Jim Parks was on his way. We may need to postpone Agenda Item 5 until he arrives. The FEMA grant for the Mini-Pumper has been closed out. There will be three board member positions open for the upcoming November election. Applications must be submitted between July 9th and August 8th. Roxie will post the relevant information our web page.
- 5 Comments by Coconino County Supervisor Jim Parks. Chairman Nelson postponed this item until later in the meeting.
- 6 Call to the Public/Audience Comments. There were no comments from the public.
- 7 Review and Approve the Minutes for the April 21, 2018 Regular Board Meeting. Treasurer Cummiskey made a motion to approve the minutes as presented. Member Massion seconded, and the motion passed unanimously.
- 8 Review and Approve the Financial Statements for April 2018. Treasurer Cummiskey exhibited the General Fund financial reports for the previous month, and provided a brief summary report. We are 83.3% through the year. In relation to our published Not-To-Exceed (NTE) budget, YTD revenue is at 64.6% while YTD expenses are at 70.7%. The end of month cash balance was \$367,039. The projected year end cash balance is \$295,989. Treasurer Cummiskey noted for the record we are in the tax collection mode. There were no unusual expenditures this past month. The Year-to-Date net gain/loss in our cash position is -\$75,794. Treasurer Cummiskey then presented a similar report on the Capital Fund. The month end balance was \$128,443, including \$10,000 in deposits for the month. Monthly warrants of \$3,660 were for anticipated expenditures. We expect another payment to Caliente next month, which will zero out the account, thereby making it inactive. Treasurer Cummiskey made a motion to approve the financial reports as presented. Member Tolby seconded the motion and it passed unanimously. In accordance with the statutory requirements of A.R.S. 48-807, by virtue of accepting the entire detailed financial report the Board certified that:
 - a) The District has reconciled all balance sheet accounts for the preceding fiscal month, and the Board has reviewed them.
 - b) The District has produced a financial report for the preceding fiscal month, including a register of all checks, warrants, and deposits; a statement of the District's financial activities; and a statement of the District's net assets.
 - c) The District has produced a cash flow projection report for the current fiscal year, and said report has been updated to include the actual revenues and expenditures for the preceding fiscal month.
 - d) The Governing Board has reviewed the financial reports, the updated cash flow projection report, and all month end fund statements and reports of the preceding month, including any reports provided by the County Treasurer and each of the financial institutions in which the District maintains an account.
 - e) The District is in compliance pursuant to A.R.S. 48-807 (N) & (O) and no reports indicate an adverse impact on the ongoing operations or liquidity of the District.
- 9 BUSINESS
 - a) Status update re: Finance Committee activities. Treasurer Tom Cummiskey reported the Finance Committee has been very active this past month. We have been working with Lee Davis of National Bank of Arizona (NBA) to carry out the board approved action to extend the payment due date for the new station debt obligation from May to November to better align with our tax collection periods. In order to make this contract change, though minor, NBA requires a new



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board resolution, with language to be provided by NBA, and subject to legal review by Bill Whittington, our attorney. Treasurer Cummiskey noted, for the record, the required resolution had not been submitted to the board in time for its consideration and review at this meeting. Agenda Items 9b) and 9c) will therefore be postponed and addressed in a special board meeting to be called for that purpose. We made a few minor tweaks, non-substantive, at the detail level, to the final proposed budget (Agenda Item 9d). On the Legacy Committee front, activities are winding down. Treasurer Cummiskey is working with Tempe Trophy to finalize the plaque that will be on prominent display in the admin wing of the new fire station to acknowledge all donors. The design is complete, will exhibit about 500 names, and will be about 5 feet wide and 6 feet high, in the shape of a pine tree. A cost estimate is forthcoming.

- b)** Discussion and possible action regarding modification of the lease purchase agreement with National Bank of Arizona to move the initial payment from May 1 to November 1, 2018. Deferred until a later date (see Agenda Item 9a) for rationale.)
- c)** Review and approval of a resolution further amending the Lease/Purchase Agreement dated as of May 01, 2017 (the “Original Lease”) between the Forest Lakes Fire District (the “Lessee”) and ZB, N.A. (the “Bank”) by changing the annual Lease Payment Dates of the Amended Lease from May 01 to November 01 of each year thereby extending the maturity date from May 01, 2037 (the “Original Term”) to November 01, 2037. Deferred until a later date (see Agenda Item 9a) for rationale.)
- d)** Public hearing on proposed budget for FY 2018-2019 and financial projection for FY 2019-2020. Presentation by Treasurer Cummiskey, and opportunity for public questions and comments. (Note: the proposed budget has been posted for public review on the FLFD website for the past month.) Treasurer Cummiskey exhibited the subject budgets. This is a statutory requirement. The budget presented is essentially the same as approved at last month’s meeting. Public comment was encouraged. The final budget for board approval at next month’s meeting will include consideration of any changes or recommendations made by the public to the budget presented today. By way of background, Treasurer Cummiskey noted the budget to be reviewed had its beginning some 8 months ago with the initiation of the STRAP Update process in August 2017. It has been thoroughly reviewed and modified as part of the STRAP process, with more recent refinement by the Finance Committee. The budget is balanced, is conservative, is a not-to-exceed proposal and includes a 10% contingency. Treasurer Cummiskey reviewed budgeted expenditures, capital expenditures, budgeted revenues and projected year end cash balances--FY17/18 of \$297K, FY18/19 of \$267K and FY19/20 of \$267K. On the Capital Expenditure front, there are significant planned expenditures for a new ambulance and a new fire truck, both of which assume grant funding. As is our practice, these items are included as part of the not-to-exceed budget proposal—if the grant funding does not materialize, we will not buy the equipment. We will be upgrading our computer system next year, and will contribute to a new cell tower near the Visitor’s Center (Mogollon Tower.) Other comments from the presentation include: planned salary increases for both our POC and ODS personnel to remain competitive; the debt service for B12 and the Heart Monitors will be retired next year; debt service for the new station will be \$60K next year and \$48K thereafter (the difference next year is the interest due from delaying the debt service on the new station from May to November); and EMS receivables are increased significantly due our new transport rates. In response to a question by Member Massion, it was pointed out the year end cash balances are comfortably above our specified minimum of \$175K. Chairman Nelson thanked Treasurer Cummiskey for his diligent efforts in carrying this process to a successful conclusion. It represents a tremendous amount of work by all concerned. In closing, Chief Rodriguez noted he has been approached about the possibility of new fuels grant. The grant, if awarded, would require a commitment by the fire district of about



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\$25K, and could be handled within our contingency line item. Roxie took an action to post the budget presentation of the budget web page. Note: there were no comments from the public.

- e) Status update re: Building activities. Chief Rodriguez gave the status of the Punch List items for the new station. Chief stated the Punch List is about 98% complete. Remaining issues to be addressed include plumbing, garage doors, drainage and front grading. Chief took an action to advise Caliente we need to have the final invoice by June 15th so we can process the payment in the current budget year.
- 10 Fire Chief's Report. Chief gave a brief summary of the community meeting held last Saturday, with presentations by Law Enforcement representatives Robert McKeever and John Lopez. 1,921 acres have been treated to the west, north and east sides of Forest Lakes north of 260 due to last year's Little Spring's controlled burn project. The presentation was well received. There is confusion about the status of forest restrictions, with social media conversations reporting conflicting information. Chief relies solely on the guidance from Apache-Sitgreaves Forest Service personnel with regard to forest restrictions. Defensible Space is the new buzz word for all our fire control efforts this year. There continue to be abuses of the Green Waste Transfer Site (GWTS) dumping rules. See Wayne Rothwell memo from FLOA. We have received a donation from a resident in the amount of \$2,500 to fund the completion of the apron in front of the new station. The same individual has offered a \$5,500 non-interest loan as well (will require discussion with our lawyer as to legality.) Chief is actively involved in recruitment for new board member candidates. The Forest Service is considering full Stage 3 restrictions south of 260. We are currently in Stage 2 restrictions.
- 11 Coconino County Supervisor Jim Parks Comments. Due to his late arrival, we picked up Supervisor Parks' comments at this point in the meeting. He apologized for being late--he underestimated the time to drive from Flagstaff to Forest Lakes. He gave a summary report from his personal experience with the Tinder Fire (he was part of the Emergency Response/Evacuation effort.) The fire, spurred on by high winds and low humidity, burned hot and burned fast. It went from 500 acres to 9,000 acres in less than two hours, prompting the call for emergency evacuation. Many structures were lost, but there was no loss of life. However, at some point fire fighters had to literally run for their lives. Some lessons learned: be prepared for evacuation; know your evacuation routes; heed the warnings for evacuation—you won't be able to save your cabin with a ¾" water hose; store ammunition separately from your guns; have fire insurance, and include a rider that provides funding for the subsequent cleanup; some homeowners had no fire insurance—don't be one of them; clean out your gutters; remove trees near your cabin—keep a defensible space; and clean up your lots. He announced he would stay for the 2 pm FLOA meeting at the Community Center.
- 12 Call to the Public/Audience Comments. There were no comments from the public.
- 13 Fire Board Comments. There were no comments from the fire board.
- 14 There being no further business before the board, the meeting was adjourned at 11:11 am.

Approval for Meeting Minutes

Approved by the Forest Lakes Fire District Board on: **June 16th, 2018**.

John J. Hennessey