



MEETING MINUTES
MARCH 17, 2018 REGULAR SESSION
FOREST LAKES FIRE DISTRICT BOARD



- 1 The meeting was called to order in the main equipment bay of the fire station annex by Chairman John Nelson at 10:01 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 in attendance.
- 4 Chairman's Welcome and Activity Report. Chairman Nelson welcomed all those in attendance. He reported that he and Chief Rodriguez met with Larry Innes and Linda Marett from The Innes Associates regarding the management of our 457 Plan. The meeting will be covered in more detail in agenda item 8h).
- 5 Call to the Public/Audience Comments. There were no comments from the public.
- 6 Review and Approve the Minutes for the February 10, 2018 Regular Board Meeting. Treasurer Cummiskey made a motion to approve the minutes as presented. Member Tolby seconded, and the motion passed unanimously.
- 7 Review and Approve the Financial Statements for February 2018. Treasurer Cummiskey exhibited the General Fund financial reports for the previous month, and provided a brief summary report. We are 66.67% through the year. In relation to our published Not-To-Exceed (NTE) budget, YTD revenue is at 51.8% while YTD expenses are at 58.3%. The end of month cash balance was \$343,723, which reflects the \$150,000 transfer to the capital fund. The projected year end cash balance is \$299,110. Treasurer Cummiskey noted for the record we are now in the tax trough mode, and will be for several months. There were no unusual expenditures this past month. There were some unusual revenues this month related to the reimbursement by our insurance carrier for repairs due to accident damage to B12 and R1211. In response to a question by Chairman Nelson, Treasurer Cummiskey stated that in accordance with past practices we show both revenues and expenditures on our books related to the accident, even though that might skew our annual not-to-exceed budget. If this were to become an issue, we would make the necessary adjustments. The Year-to-Date net gain/loss in our cash position is -\$80,357. Treasurer Cummiskey then presented a similar report on the Capital Fund. The month end balance was \$399,001, including \$223,361 in deposits for the month. Monthly warrants of \$18,431 were for anticipated expenditures. There will be additional comments in Agenda Item 8a). 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.
- 8 Business
 - a) Status update re: Finance Committee activities, including plan for preparation and approval of 2018-2019 Budget. Treasurer Cummiskey reported on yesterday's Finance Committee meeting,



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which had two agenda items: a) Review the FY18-19 and FY19-20 segments of the recent STRAP plan as the starting point for the current budget cycle; and b) Discuss the remaining new station related costs and develop recommendations going forward. For the first agenda item, Treasurer Cummiskey reported that due to the effort and diligence put into the financial plan in the recently published STRAP document, there was not much new to review. The proposed budget for FY2018-2019 will include a grant for a new ambulance, which was added after the STRAP meetings. The full \$250K cost would be covered by the grant. There will be one more Finance Committee meeting prior to presenting the proposed budget for board review in April. This will be followed by a public review in May and a final review and approval to publish by the board in June. On the second agenda item, Treasurer Cummiskey gave a summary report on the cost status. As we near the finish line on the overall building project, we will have some form of cost over-run, possibly in the amount of 3 to 4%. Chief Rodriquez, as the Owner's representative, will arrange for a meeting with Caliente, the Contractor, and will include Treasurer Cummiskey and Building Committee Chairman Hennessey, to scrub the final numbers. In addition, the Finance Committee is investigating what costs can be deferred from this year's budget. The goal is to end the year with a cash balance as close to \$300K as possible.

- b)** Status update re: Building activities. Chief Rodriquez reported the building is about 98% complete. Outstanding items include exterior work, which is hampered somewhat by the weather and will be completed as conditions allow. Progress on completing the minor interior punch list items continues, with some delays due to scheduling of subs. As reported, there is a slight increase in budget, but we are very comfortable with the over-run. In response to a question from Member Massion, Chief reported that grading and drainage approval with the county is a work-in-progress. We do have a temporary certificate of occupancy, and expect a routine visit from the building inspector next week.
- c)** Review and approval of A RESOLUTION OF THE FOREST LAKES FIRE DISTRICT OF FOREST LAKES, ARIZONA, PERTAINING TO THE SUBMISSION OF PROJECTS FOR CONSIDERATION IN ARIZONA'S 2018-2019 HIGHWAY SAFETY PLAN. Chairman Nelson introduced agenda items 8c) and 8d) by stating that for some grant proposals, these included, official board resolutions are required before a grant request will be processed. Both resolutions had been circulated to the board prior to the meeting. Agenda item 8c) is for the cost of training for an upcoming Trauma Symposium in Laughlin for five of our POC staff, and covers travel, living and conference fees. Treasurer Cummiskey made a motion to approve the resolution as presented. The motion was seconded by Member Tolby, and it passed unanimously. Chairman Nelson and Clerk Hennessey affixed their signatures to the document.
- d)** Review and approval of A RESOLUTION OF THE FOREST LAKES FIRE DISTRICT OF FOREST LAKES, ARIZONA, PERTAINING TO THE SUBMISSION OF PROJECTS FOR CONSIDERATION BY THE GILA RIVER INDIAN COMMUNITY. This grant application, prepared by Richard Zimmerman, is for 100% of the cost of a new ambulance, with funds coming from Indian gaming revenues. Since these grants monies can only be distributed to specific government entities (state, county or town) an arrangement has been made with the Coconino County Board of Supervisors, through Chairman Matt Ryan, to act as intermediaries, to receive the funds and to transfer them to FLFD should we be awarded the grant. Note that FLFD is a government entity. Treasurer Cummiskey asked that Supervisor Jim Parks be made aware of the application and agreement. Treasurer Cummiskey made a motion to approve the resolution as presented. The motion was seconded by Member Tolby, and it passed unanimously. Chairman Nelson and Clerk Hennessey affixed their signatures to the document.
- e)** Discussion and possible action regarding an updated request to the Auxiliary for future donation items. Chief Rodriquez opened the discussion by stating the recently acquired Red & White



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ambulance, R1212, is in need of a Power Load system similar to R1211. This is the new standard in ambulance equipment. His intent, with board approval, is to provide forward guidance to the Auxiliary of the need, which would amount to about \$30K for procurement, installation and a service agreement. Auxiliary board members, Treasurer Joe Ruet and Jan Cummiskey, who were in attendance, were asked to provide this notice to the full Auxiliary board for its consideration. Chairman Nelson reminded everyone that we have submitted a FEMA Micro Grant for a Power Load system. It is for about \$25K, and does not include the service agreement. The caveat is that if we buy a Power Load system, and we win the grant, FEMA will not reimburse us. So close coordination is required on this item. In response to a question, Chief Rodriquez stated that the Power Load system is needed. It is a force multiplier, and is especially relevant for our combination staffing model. On a related note, Treasurer Cummiskey asked that we accelerate our prior request, as reported at the December 9, 2017 board meeting, to the Auxiliary for \$10K to help offset our increased cost exposure for the new building. The Auxiliary had responded favorably to our initial request, with the intent to fulfill it in the June time frame. Member Tolby made a motion for Chairman Nelson to advise Chris Bennett, Auxiliary President, of our need to accelerate the request for \$10K. Treasurer Cummiskey seconded, and the motion passed unanimously. Chairman Nelson acknowledged his action item.

- f) Discussion and possible action regarding review of vacation and sick time policies as they relate to the minimum wage law, to include considerations for: replace vacation and sick time terminology with the more commonly used terminology personal time off (PTO); emergency leave, borrowing leave, etc. Consider implementation as guidelines versus policies. Policies, Procedures and Bylaws Chairman Massion opened the discussion by stating he had done some research and concluded that from an HR perspective our current system of separate tracking for vacation and sick time is easier to manage than the PTO system. We have policies in place for both (FLFD specific policy for vacation, Coco policy for sick time.) Chief Rodriquez stated our staffing model is unique, making it more burdensome to respond to the legislative requirement requiring PTO as the tracking method for vacation and sick time. Although the legislation was passed two years ago, and became law on January 1st, there is legislation being considered to overturn the requirement. The consensus is that we put the change to PTO tracking on hold pending the outcome of the recent legislation activity. Treasurer Cummiskey concurred, but only if the requirement goes away, stating there are budgetary reasons in favor of the PTO approach. Admin Assistant Allen brought up some concerns regarding implementation for the PTO approach, which would need to be addressed by policies and procedures. Chief Rodriquez stated he is comfortable with the PTO approach, and there would be minimal cost impact to the budget. In summary, Chairman Nelson stated we are legal and we are being fair to our employees.
- g) Discussion and possible action re: policies and procedures updates, especially regarding updates to Pay Policy 021 regarding sick leave and minimum wage requirements; to include Chief assessment of potential budget impacts. This agenda item was addressed in 8f).
- h) Discussion and possible action regarding oversight of the FLFD Section 457 retirement plan. As stated in agenda item 4, Chairman Nelson, Chief Rodriquez and Larry Innes and Linda Maret from The Innes Associates met to review the status of the district's 457 plan. The meeting is part of our due diligence to exercise management oversight of the plan. Chairman Nelson summarized as follows: it was a good meeting, Larry and his team seem very capable, and there were no red flags identified. Chairman Nelson and Chief Rodriquez had reviewed the latest annual report in preparation for the discussion. Chairman Nelson specifically wanted to address several concerns: he could not find anything in writing that prescribes outside oversight of the plan; he found nothing stating responsibilities for the FLFD board; and there is nothing about a "board of trustees" as we had in the past. Treasurer Cummiskey added he is familiar with 457



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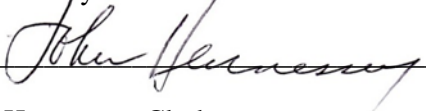


plans in general, and specifically how they are handled at TruWest Credit Union. He identified a few key items to address: identify who is in the plan, clearly state the goals for investment and have a process in place to regularly review the plan's status. Chairman Nelson will report back with recommendations for future action once he receives a reply to his request for further information from Larry Innes.

- 9 Fire Chief's Report. Chief Rodriguez reported R1211 is back in service; Roxie and Trina Cooper have recertified to state and national EMT levels; and applications are being prepared and processed to request automatic annual rate increases for ambulance transport (anticipate a 2.2% increase for the next fiscal year.) He will be meeting with Black Mesa Ranger District personnel to discuss the upcoming fire season. We are in good shape on the north side due to the controlled burns conducted last year. He is concerned about the south side, and that will be a major part of the discussions. He thanked the Auxiliary for their support of the fire district. The Green Waste Transfer Site will be open early, with convenient hours, to encourage residents to clean their lots.
- 10 Call to the Public/Audience Comments. There were no comments from the public.
- 11 Fire Board Comments. There were no comments from the board.
- 12 There being no further business before the board, Chairman Nelson adjourned the meeting at 10:50 am.

Approval for Meeting Minutes

Approved by the Forest Lakes Fire District Board on: April 21st, 2018.



John Hennessey, Clerk