



**MEETING MINUTES
FEBRUARY 10, 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 10:02 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 a FEMA grant has been submitted for a second STRYKER Power Loader for R1212. It will cover 95% of the acquisition cost, but not the cost of the annual service contract. It is compatible with the current cot in R1212. This is a high win probability grant. He also reported that Jim Morgan of Pinetop has submitted a regional FEMA grant for SCBA equipment. As a regional submittal, the application covers several departments, including Forest Lakes, and is expected to have a higher probability of winning versus individual applications.
- 5 Call to the Public/Audience Comments. There were no comments from the public.
- 6 Review and Approve the Minutes for the January 20, 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 January 2018. Treasurer Cummiskey exhibited the General Fund financial reports for the previous month, and provided a brief summary report. We are 58.33% through the year. In relation to our published Not-To-Exceed (NTE) budget, YTD revenue is at 49.1% while YTD expenses are at 53.3%. Treasurer Cummiskey noted for the record we are now out of the tax collection mode, and will be for several months. There were several unusual expenditures this past month: our share of the cost to relocate the water main in front of the new station to the east side of Merzville (other half borne by FLDWID); cost for the new Red and White ambulance (while R1211 is being repaired); and towing expenses for R1211 and B12, which will be reimbursed by our insurance carrier. Note: Roxie took an action to verify said reimbursement. The projected year end cash balance is \$300,799, which is comfortably above our desired minimum of \$175,000. The Year-to-Date net gain/loss in our cash position is -\$51,824. Treasurer Cummiskey then presented a similar report on the Capital Fund. The month end balance was \$194,070, including \$23,972 in deposits for the month. Monthly warrants of \$19,670 were for anticipated expenditures. Treasurer Cummiskey stated we are back on track with Lawyer's Title and he will be zeroing out the building portion of the capital fund by the end of the fiscal year. He also stated this is the first month that we have vacation and sick leave accumulation reporting as part of the financials, with more discussion to follow in agenda item 8e). 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) **Presentation and Approval of Annual Audit Report.** Our auditor, Kay Green, CPA, ATLAS CPAs & ADVISERS PLLC presented her audit report consisting of the Forest Lakes Fire District Financial Statements dated June 30, 2017. She noted, for the record, that her firm used to be Accounting Professionals, and that the agreements we have in place remain unchanged for the new company. The financial statements package includes the following, which she reviewed in



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some detail for the board: Independent Auditors' Report; Management's Discussion and Analysis; Basic Financial Statements, including Notes to the Financial Statements; Required Supplementary Information; Independent Accountants' Report on Compliance With Specified Requirements; Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance; Independent Auditors' Communication to Those Charged With Governance; and Adjusting Journal Entries. Specific comments of note include: the increase in our net position was \$153,160; under future debt administration, the district entered into a \$700,00 lease purchase agreement for the construction of the new station; under long-term debt, in a prior fiscal year, the district acquired a Caterpillar Front Wheel Loader under a lease purchase agreement, for which all lease obligations are current; and the district evaluated subsequent events from June 30, 2017 through February 8, 2018 for input to the audit report. Kay provided summary comments as follows:

- i) She delivered a clean audit opinion, with no findings.
 - ii) The district exercises good oversight and due diligence—its financials are impressive.
 - iii) She appreciates the assistance provided to Roxie by Angela Bertram.
 - iv) There are no recommendations or guidance other than that contained in the report.
- Treasurer Cummiskey made a motion to approve the financial statements as presented. Member Tolby seconded the motion, and it passed unanimously.
- b)** Status update re: Finance Committee activities, including plan for preparation and approval of 2018-2019 Budget. Treasurer Cummiskey advised we have received the Forest Lakes Levy Limit Worksheet from the County Assessor for tax year 2018. The allowable levy limit is within a few hundred dollars of our STRAP budget projection. Tom will arrange a series of meetings with the Finance Committee in preparation for the April board meeting, at which the preliminary budget will be reviewed by the board. That will be followed by a public review in May and the final review for board approval in June. On the Legacy front, there will be no more fund raising efforts. Tom is working with a vendor on the design of the Legacy plaque which will be prominently displayed in the entry area of the admin side of the new station. Donor categories will be: Diamond, \$5,000 and up; Platinum, \$1,000 to \$4,999; Gold, \$500 to \$999; and Silver, \$100 to \$499. The preliminary concept calls for the names to be arranged by group, with Diamond at the top and Silver at the bottom, in the shape of a pine tree, narrower at the top and cascading into a wide base. The plaque is scheduled to be unveiled at the dedication ceremonies, tentatively scheduled for Memorial Day weekend, Saturday May 26th.
- c)** Status update re: Building activities. Chief Rodriquez stated we are very close to completion, with a projected move-in date some three weeks away. The Owner/Architect/Contractor (OAC) walk through on February 2nd was very impressive and thorough. We have gotten approval from the State Fire Marshall for all issues related to life safety. Final inspection by the county is scheduled for February 15th. The county officials have been very helpful and easy to work with. If necessary, we have been advised we can be granted a temporary Certificate of Occupancy COO.) The Punch List is about 90% complete. We have reached a final decision on snow diversion around roof penetrations that will keep our warranty intact. It was noted that we had a slight roof leak around a double-walled pipe during the recent 11-inch snowfall. The cause is understood and will be corrected by the snow diversion crickets to be installed. We are awaiting a patch panel for final communications hookups. We are looking into ways to improve radio and cell phone coverage inside the new station, which is hampered by the surrounding trees, the metal roof and the rebar in the walls and floors and the lightning protection system. Our dispatch crew is on standby to assist with move-in preparations. John Hennessey stated we are tracking very close to the cost summary presented in detail at the January board meeting. Caliente confirmed our estimated \$1,040K GMP at the February 2nd OAC meeting. He also reviewed a proposed



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configuration of the annex multi-purpose conference room as part of our Phase 2 effort. The open area will be roughly 31 ft wide by 13 ft deep (about 400 sq. ft.) Thanks to Mo the Draftsman (resident Mo Morey) for the design work.

- d) Discussion and possible action re: Approval and publication of 5-Year Strategic Plan update. Chairman Nelson asked for comments regarding the STRAP document circulated for board review. Treasurer Cummiskey stated the document could be ready for publication with some minor wordsmithing, which he volunteered to assist with. Member Massion commented that he was very impressed with the amount of useful material in the document, and that it should be a useful resource for the community as a whole. In that regard, Chairman Nelson said it is much more than a strategic planning document—it is everything you would want to know about the fire district. Treasurer Cummiskey made a motion to approve the publication of the document as presented, with minor revisions. Member Tolby seconded, and the motion passed unanimously. Chairman Nelson took the action to make the revisions, establish the publication date and publish the document.
 - e) 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. Chief Rodriquez exhibited the latest update to Pay Policy 021, which brings it into compliance with the minimum wage law passed January 1st. Chief Rodriquez stated we had already made wage adjustments as part of the recently completed strategic planning process, so there is minimal additional financial impact to the district. In related discussions, it was pointed out there may be implications to Pay Policy 015, Sick Leave Accrual and Use and Pay Policy 016, Vacation Accrual and Use. It was further noted that Pay Policy 016 is FLFD specific, whereas Pay Policy 015 simply states that we adopted the practices used by Coconino County. Member Massion, as Chairman of the Policies, Procedures and Bylaws Committee, took an action to review policies 015 and 016 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, ..., upon board approval; and making these considerations guidelines versus policies. Treasurer Cummiskey and Chief Rodriquez will assist Chairman Massion in the process. In terms of overall guidance, Chairman Nelson said the final product must meet the letter of the law, must be fair to our employees and must be clear on how the guidance is administered. It was noted that the vacation and sick time accrual summary details presented as part of the financial package presented in agenda item 7, need to be revisited. Chief Rodriquez and Roxie took an action to review the details with PayTech. There being no further discussion, Treasurer Cummiskey made a motion to approve Pay Policy 021 as presented. Member Tolby seconded, and the motion passed unanimously.
 - f) Discussion re: transition to summer meeting schedule, third Saturday of each month, starting March 17. As has been our practice, Chairman Nelson announced we will shift from our winter meeting schedule to our summer schedule, beginning next month and continuing through October. Our March meeting will be held on the third Saturday, March 17th. Meeting times are unchanged.
- 9 Fire Chief's Report. Chief Rodriquez presented the following report:
- a) Three department members have been deposed related to a 2014 incident. Attorney Bill Whittington provided guidance and training. It is not known at this time if there will be a court appearance required.
 - b) We are pursuing a grant for a new ambulance with the Gila River Indian Community.
 - c) We are working with FLOA on a new ten-year agreement for our Green Waste Transfer Site (GWTS), with a target submittal date of mid-March.



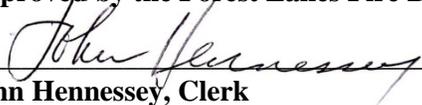
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- d) We continue to work with the insurance adjusters and repair shops related to the collision damage to R1211 and B12 incurred on January 20, 2018. R1211 should be back in service next week. B12 will be somewhat delayed to the discovery of more extensive damage than anticipated.
 - e) The new Red and White ambulance, procured as a stop gap while R1211 is out of service, is awaiting mobile radio installation, and should be in service very soon. The new ambulance is in excellent condition and will give us the option of declaring R1212 surplus.
 - f) Dennis Rath, our ODS member with Fire Investigator certification, has recently been deployed to New Mexico. The district is compensated for his time as well any admin support time required, and receives recognition for our support to the fire service community.
 - g) The SCBAs will be undergoing annual maintenance shortly. Our air packs are showing their age, and some will be retired, supporting a planned reduction in number from 14 to 10.
 - h) There is an outstanding issue associated with site drainage to be addressed with the county. There is a solution with no \$ impact. It just needs to be coordinated with the county.
 - i) There is a pre-planning meeting with the Forest Service next week to address the upcoming fire season, which is expected to be a difficult one. The controlled burns we did last year will help with the north side properties, but the south side remains a concern since there were no controlled burns there. Chief took an action to develop a plan of attack for the south side properties.
 - j) There is a possibility of a hard shutdown of the forest this summer. That would mean a total closure, including no foot traffic, with reduced auto travel, reduced call volume, and reduced EMS revenues while, at the same time, possibly requiring increased staffing. Chief is looking into additional fire suppression capability (another water tender e.g.)
 - k) In light of a potentially severe fire season, budget pressures may force us to reprioritize our expenditures, postponing the “nice to haves” in lieu of critical needs. We do have fallback resources: we have a healthy cash balance at this time, and we can always resort to Line of Credit financing.
 - l) Governor Ducie is advocating an increase to Wildfire Prevention funding.
 - m) There is a possibility for a Hazardous Fuels Grant for FY 2019.
 - n) Chief took an action to write an FL Happenings article addressing the need for residents to clean their lots in preparation for the upcoming fire season. The actions of all residents have an impact on everyone in the community. Those who have been reluctant to participate in the lot cleanup efforts in the past need to be made aware that this time is different, and their support is needed to help make us all safer. Since we are unincorporated, we have no fire code—it’s all about communication and education.
 - o) It was noted that a hard closure means the GWTS operation would also be impacted, and that we should consider opening it up for use earlier than normal.
- 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 11:35 am.

Approval for Meeting Minutes

Approved by the Forest Lakes Fire District Board on: March 17th, 2018.



John Hennessey, Clerk