



**MEETING MINUTES
JANUARY 20, 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 10:00 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. Member Tolby attended electronically.
- 4 Chairman's Welcome and Activity Report. Chairman Nelson welcomed all in attendance. He acknowledged the diligence of the board in not only being in full attendance today, but also for the special meeting on January 5th. He mentioned the AFDA Conference was worthwhile, and would be addressed more completely in agenda item 9a). He learned at AFDA about a regional FEMA grant in process related to SCBA equipment. Several individual departments had submitted grant requests, none of which were granted. Jim Morgan of Pinetop is championing this effort, which he feels will have a higher chance of success as a regional submittal. FLFD will join in the application process. While on the subject of grants, he stated we will pursue a grant for a second STRYKER Power Loader.
- 5 Call to the Public/Audience Comments. There were no comments from the public.
- 6 Review and Approve the Minutes for the December 9, 2017 Regular Board Meeting. Treasurer Cummiskey made a motion to approve the minutes as presented. Member Massion seconded, and the motion passed unanimously. Clerk Hennessey authorized the use of his signature stamp for the public record copy of the meeting minutes.
- 7 Review and Approve the Minutes for the January 5, 2018 Special Board Meeting. It was noted, for the record, the special meeting was called to approve a resolution to increase the Lease Purchase Agreement (LPA) with NB|AZ to \$700K, along with an accompanying Certificate of Authority. Treasurer Cummiskey made a motion to approve the minutes as presented. Member Massion seconded, and the motion passed unanimously. Clerk Hennessey authorized the use of his signature stamp for the public record copy of the meeting minutes. Chief Rodriquez related that our attorney, Bill Whittington, was very complimentary of the board's professionalism in the handling of this issue. He stated the FLFD Board is one of the best he has dealt with.
- 8 Review and Approve the Financial Statements for December 2017. Treasurer Cummiskey exhibited the General Fund financial reports for the previous month, and provided a brief summary report. We are 50% through the year. In relation to our published Not-To-Exceed (NTE) budget, YTD revenue is at 46.2% while YTD expenses are at 47.9%. Treasurer Cummiskey noted for the record we are now out of the tax collection mode, and will be for several months. Other than the \$150,000 transfer to capital, there were no unusual expenditures. The projected year end cash balance is \$305,539, which reflects the aforementioned transfer to capital of \$150,000. The projected year end cash balance is comfortably above our desired minimum of \$175,000. The Year-to-Date net gain/loss in our cash position is -\$21,378. Treasurer Cummiskey then presented a similar report on the Capital Fund. The month end balance was \$189,768, including \$300,655 in deposits for the month. Monthly warrants of \$314,532 were for anticipated expenditures. They were higher than normal since we had two payments to the contractor this period. Treasurer Cummiskey made a motion to approve the financial reports as presented. Member Massion 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) Discussion re: January 2018 AFDA Conference participation. Chairman Nelson, Treasurer Cummiskey, Member Tolby and Member Massion represented the fire board at the conference. Roxie attended as well. Chief Rodriquez and Clerk Hennessey were unable to attend. Specific remarks/takeaways:
 - i) Treasurer Cummiskey reported that since we are a small district we need to remain diligent in internal controls. We do well, but always need to be aware, as things change. The PAC is getting re-energized and more involved in legislative affairs.



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- ii) Member Massion appreciated the ability to network and develop contacts.
 - iii) Member Tolby enjoyed the conference. He recommends we consider the possibility of including a drone in our department. It would be invaluable in our mountainous environment.
 - iv) Chairman Nelson also supports the use of drones, but there are constraints. Operators must be licensed, and would need to be someone likely to be here full time (not ODS e.g.). Copper Basin has a drone, but they are a larger department, with full time staffing. It could be invaluable for search and rescue for canyon operations, and would improve personnel safety. We have an advantage in that Rick Crabbs is a licensed helicopter pilot, and Steve Daniels is a licensed pilot. We could pursue this in conjunction with Sheriff's department. He attended the Volunteer/Combination Roundtable, where sick leave/minimum wage considerations were reviewed. He asked Chief/Roxie to get a copy of "Managing Volunteers for FLSA Compliance." On the Social Media front (Facebook/Twitter), we are ahead of the game because of Rick Crabbs' efforts. We need to be clear on why we are doing social media, and must be aware of the Open Meeting Law issues and public record compliance requirements, including retention. There is a major push to digitize records. He asked Clerk Hennessey to prepare a recommendation for how we go forward: where we are, and what we need to do. On the subject of internal controls, he touched on physical inventory. Some departments are reporting they have equipment they cannot find. As part of our move into the new station, he asked that we identify all equipment we touch and see if it is part our physical inventory list. On the subject of best practices for monthly financial reporting, he stated that we do a very good job of reporting, and meet the best practices standards. He asked that we make one improvement by adding a page to the monthly report documenting vacation/sick leave accrual, beginning with the February report. The report would initially be for all personnel, with full details.
- b) Status update re: Finance Committee activities, including Legacy Committee community based fund-raising efforts and grant activities. Treasurer Cummiskey reported that Finance Committee activities have scaled back somewhat. We have finished the STRAP planning update process, and have a pro-forma budget for the next fiscal year. We will proceed to finalize the budget once we receive the Forest Lakes Fire District Levy Limit Worksheet from the county. There was significant activity to finalize the amended LPA with NB|AZ involving Lee Davis and Bill Whittington. The Legacy Committee has officially wrapped up its activities. As of December 31, we logged \$340K in donations against our goal of \$350K. Due to the year-end holidays and a lag in mail delivery, we booked an additional \$24K this month, making the total \$364K. This does not include approximately \$100K of in-kind donations associated with the new station construction. Treasurer Cummiskey stated he expects some additional donations but they will not be part reported as part of Legacy. The next action is to finalize the plaque which will be prominently displayed in the new station, and will be unveiled during the official dedication ceremony, tentatively set for Memorial Day weekend. Treasurer Cummiskey took an action to draft input regarding the highly successful Legacy Capital Campaign for the upcoming Happenings message from Judy Nelson.
- c) Status update re: Building activities. Chief Rodriguez reported we are really close to being able to occupy the new station. Concrete and dirt work are finished. FFE appliances are in, plumbers and electricians will finish next week. Overhead inspection was completed Tuesday, with some items to address. Once these are accomplished, we will move to final inspection, which will allow us to occupy the building. We will create a Punch List of items that can be addressed after the Certificate of Occupancy (COO) is granted. These items are typically accomplished by the contractor over a one- to two-week period. This will also include the final grading of the culverts in front of the station. Building Committee Chairman Hennessey provided a cost summary:
- Final cost will be just over the \$1,200K estimate, with a small cost overrun (on the order of \$20K)
 - We have been diligently tracking and managing overall cost—kudos to Dave as Owner's representative on Owner/Architect/Contractor (OAC) Committee to keep costs in line
 - Transitioned from Building Committee direct involvement (responsibility for planning) to OAC involvement (responsibility for execution) around mid-August.
 - We are close enough to the end to have a better picture of the final cost
 - We have been dealing with unforeseen cost elements
 - From an overall project management perspective, we are doing well—cost overrun less than 2% of total cost
- Contributors to Cost Overrun:
- Overall



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- Expansive soil condition and site prep (white garage removal, tree removal, slope issues, ...)
- Grading and drainage requirements imposed by the county more onerous than planned
- Site slope changes created issues: building shift, boulder wall, nuisance water drainage, ...
- Cost to complete the Admin side was somewhat higher than anticipated due to timing of the trades, loss of synergy due to not being able to schedule work all at one time. Multiple trips, trip charges, rework, ...
- Specific items (most recent)
 - Relocation of 400 feet of water main to east side of Merzville Rd. (~\$10.5K, split 50-50 with FLDWID)
 - Underground electric across Merzville Rd. (versus overhead power.) Nine foot deep trench for conduit. (~\$2.5K)
 - Grading and drainage issues with county (added an estimated \$10K to civil engineering cost)
 - Boulder wall (~\$20K. Not all attributed to cost overrun); roof crickets (~\$1.5K); keyless entry (~\$1.5K); break room/day room ADA compliance requirements

Recommended approach to address overruns:

- Fund overruns out of the general fund, either using the contingency cost account or fund some or all out of other general fund cost account underruns. Chief/Finance Committee to decide. Note: Treasurer Cummiskey stated if we are cost conscious with the spending for the balance of the year it is very possible we can absorb the entire amount within the current published budget, and not impact the year end cash balance.
- Have 6 months to reprioritize our spending and absorb costs into the underruns.
- Worst case—we will reduce our projected year end cash balance of \$305.6K by about \$20K, which is still comfortably above our minimum target of \$175K. Note—for this FY, we drew down our month ending cash balance during July, August and September by \$98K (\$438.4K to \$340.4K)

- d) Discussion and possible action re: accounting for unexpected costs for rerouting of water line in front of new building. Treasurer Cummiskey recommended we fund this out of operations. No board action is required.
 - e) Status update re: 2017 strategic planning process and 5-Year Plan update. Chairman Nelson reported the planning is completed for the update. Work is underway on the final document. He needs input on the Services/Service Delivery area sections. He is working on the format for the 5-year financial plan table. We expect to approve the document for release at the February board meeting.
 - f) Discussion and possible action re: policies and procedures updates, especially regarding updates to Pay Policy 021 regarding sick leave and minimum wage requirements. Chairman Nelson related this topic was addressed in depth at AFDA, and many districts are working to understand the financial implications of the new minimum wage law, which established a \$10.50/hr minimum wage as of January 1st. It is retroactive. We are ahead of the power curve in that board approved updates to Pay Policy 021 adopted a minimum wage of \$12.00/hr, effective July 1st, but it does not cover all employees. Chief Rodriguez took an action make a recommendation for board consideration on how we should handle the new requirements, including retroactivity, use of stipends in lieu of wages, and the impact to our financial plans. Chief stated he is very comfortable with our current pay structure, and we will do whatever is required to meet the letter and spirit of the law.
- 10 Fire Chief's Report. Chief Rodriguez reported Jim Weigold just achieved his national certification as an EMT. Jim lives at Forest Lakes full time and is a valuable addition to our POC staff. Chief anticipates some unscheduled maintenance for R1211 and B12. The dispatch system went down two weeks ago. The problem has been identified to be at the Flagstaff end. Our emergency backup plan is to switch to the Sheriff's frequency. Dave reported a donation from Payson Concrete and Materials of washed and screened rock for the top layer of our driveways around the new station. They also donated a load of crushed granite. Total value is about \$1,775. The NWS 90-day forecast is for fire danger to continue. With no snow, call volumes/transportations are down (fewer residents/visitors.) We anticipate high fire danger in the spring and summer, with an associated increase in staffing required and a corresponding increase in call volumes/transportations. That could change if the forests are closed. We are submitting a 100% grant for a new 4WD rescue vehicle (to replace R1211) to Gila River Casino. We are using a specification provided by Superstition Fire and Medical. The grant window closes the end of March.
- 11 Call to the Public/Audience Comments. There were no comments from the public.
- 12 Fire Board Comments. There were no comments from the board.
- 13 There being no further business before the board, the meeting was adjourned at 11:04 am.