



**FOREST LAKES FIRE BOARD  
REGULAR SESSION MEETING MINUTES  
DECEMBER 17, 2022**



- 1 Call to Order. The meeting was called to order in the main equipment bay of the fire station by Chairman John Hennessey at 10:08 am.
- 2 Pledge of Allegiance. Chairman Hennessey led the gathering in the pledge of allegiance.
- 3 Roll Call of Fire Board Members. In addition to Chairman Hennessey, Clerk Julie Swanson, Treasurer Pete Batschelet, Member Dennis Massion and Member Israel Torres were in attendance at the fire station. Also in attendance was Chief Dave Rodriguez. There was one member of the public, John Swanson. For the record, we had a quorum of the board.
- 4 Chairman's Welcome and Activity Report. Chairman Hennessey welcomed to everyone, especially Julie Swanson, to her first regular board meeting. We had a special board meeting December 1st to elect board officers, and will be approving those meeting minutes in addition to the November regular board meeting minutes. As usual, we will review and approve the financial statements for November. We have four special items to address today: 1) Approve resolution to generate amendment 3 to the fire station Lease/Purchase Agreement (LPA); 2) Approve the Estoppel submitted as part of the proposed sale by DW Tower; 3) Status update re: DB Trucks Water Tender; and 4) Finance Committee meeting December 12<sup>th</sup>. We will address administrivia related to the new board. And there will be STRAP Session 4 (last one for this update cycle) following a break for lunch.
- 5 Call to the Public/Audience Comments. There were none.
- 6 Review and Approve the Minutes for the December 1, 2022 Special Board Meeting. Treasurer Batschelet made a motion to approve the minutes as presented. Member Massion seconded, and the motion passed unanimously.
- 7 Review and Approve the Minutes for the November 19, 2022 Regular Board Meeting. Member Massion made a motion to approve the minutes as presented. Treasurer Batschelet seconded, and the motion passed unanimously.
- 8 Review and Approve the Financial Statements for November 2022. Treasurer Batschelet reviewed the General Fund financial report for the previous month and provided a brief summary report. We are 41.67% through the year. In relation to our published Not-To-Exceed (NTE) budget, YTD revenue is at 46.8% while YTD expenses are at 50.6%. The end of the month cash balance was \$410,075.27. The projected year-end cash balance is \$393,176.27. FDAT receivables are at 22.9%, YTD, lower than projected due to an issue with the county treasurer's office, which is being addressed. As reported last month, there are some adjustments that need to be made on how accounts 5056 and 5057 are handled, believed to be the result of the changeover from Innis and Associates to Nationwide for the 457 Plan, and the introduction of ASRS, which are both handled through payroll deductions by Paytech. Treasurer Batschelet made a motion to approve the amended financial report with adjustments as discussed. Member Massion seconded, and the motion 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 and possible action re: possible Approval of Amendment 3 to the Lease/Purchase Agreement Dated as of May 1, 2017 by and between ZB, N.A., as Lessor and Forest Lakes Fire District, as Lessee to release of the old station property from the loan.



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Chairman Hennessey reported our attorney Bill Whittington hosted a conference call on December 13<sup>th</sup> between Lee Davis and Garrett Gross, Zion Bank representatives; Bill Whittington and Devin White, FLFD legal counsel; and Dave Rodriguez and John Hennessey, FLFD representatives; to identify a solution to the technical issue with the LPA for the new fire station. A solution to the technical issue, acceptable to all interested parties, was achieved by having Zion Bank create Amendment 3 to the LPA, to release the old station property from the loan. Garrett Gross agreed to draft a document to generate Amendment 3 so that it could be presented to the Board for possible approval at its regular board meeting on December 17<sup>th</sup>, with an original agenda posted December 14<sup>th</sup> for that purpose. The amendment language, in the form of a resolution, entitled “RESOLUTION OF GOVERNING BODY AMENDING LEASE/PURCHASE AGREEMENT” was distributed to all board members and our legal counsel prior to the meeting. The title and introductory paragraph were displayed to assure all board members were referring to the same document for possible approval.

**RESOLUTION OF GOVERNING BODY  
AMENDING LEASE/PURCHASE AGREEMENT**

**A resolution amending that certain Lease/Purchase Agreement dated May 01, 2017 (the “Original Lease”) between the Forest Lakes Fire District, (the “Lessee”) and Zions Bancorporation, N.A. (the “Bank”) (previously known as ZB, N.A.), as previously amended by Resolution No. 2017-004 adopted by the Lessee and consented to by the Bank on December 09, 2017 (the “First Amendment”) which increased the original principal amount of the Original Lease from \$600,000 to \$700,000, and further amended by Resolution No. 2018-004 adopted by the Lessee and consented to by the Bank on June 23, 2018 (the “Second Amendment”) which changed the annual Lease Payment Dates from May 01 to November 01 of each year, and extended the maturity date from May 01, 2037 (the “Original Term”) to November 01, 2037 (the “Extended Term”) (the Original Lease, First Amendment, and Second Amendment are hereinafter referred to as the “Amended Lease”) (such Amended Lease was adopted to finance the construction of a new fire station (the “Financed Property”)), by removing certain parcels from the legal description of the Existing Property to provide a correct legal description of such Existing Property in the Amended Lease; and related matters**

There were no changes or comments made to the amendment language as received from Garrett Gross.

There was a modification to agenda items 9a and 9b as originally posted, suggested by Bill Whittington, which were incorporated and reposted with a notation REDLINE 12-15-2022, which became the agenda of record.

Member Torres made a motion to approve the resolution as presented to generate Amendment 3 to the Lease/Purchase Agreement dated as of May 1, 2017 by and between ZB, N.A., as Lessor and Forest Lakes Fire District, as Lessee to release of the old station property from the loan. Treasurer Batschelet seconded, and the motion passed unanimously.

- b. Discussion and possible action re: Next steps for FLFD to support DW Tower cell tower sale to SBA
  - i. Possible approval of Estoppel Certificate submitted by SBA.

By way of background, Chairman Hennessey reviewed relevant meeting minutes from last month’s board meeting related to the subject issue. Dale Wilson, owner of DW Tower, stated his desire to divest himself of ownership of the cell tower located on fire district property by entering into an agreement with SBA, a large, well-known company who owns and operates towers in various states, including Arizona. The completion of the sales agreement between DW Towers and SBA has been hampered by inclusion of the old fire station property as collateral against the LPA for the new fire station. With the approval of the resolution in agenda item 9a, that issue has been satisfied and is no longer of concern.



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The confirmatory escoppel has been distributed to all board members prior to the board meeting, and has been reviewed by our attorney, Bill Whittington, with no change or comment. A copy of the escoppel was displayed to assure all board members were referring to the same document for possible approval.

KNOW ALL MEN BY THESE PRESENTS:

The undersigned ("Landlord"), being the Landlord under and pursuant to that Option and Lease Agreement dated August 27, 2019 ("Ground Lease"), by and between Landlord and DW Tower, LLC, a Delaware limited liability company ("Tenant") related to the use of a portion of that land and property commonly known as 1522 Merzville Road, Forest Lakes, Arizona hereby certifies to SBA Towers X, LLC, a Delaware limited liability company, or any affiliate thereof ("Purchaser"), the following:

- (i) Attached as Exhibit "A" is a true and complete copy of the Ground Lease and all amendments or modifications thereto. The Ground Lease constitutes the entire agreement between Landlord and Tenant with respect to the subject matter thereof. Tenant is the current Tenant under the terms of the Ground Lease.
- (ii) The Ground Lease commenced on November 8, 2019 and the expiration date of the Initial Term of the Ground Lease is November 7, 2024. Upon expiration of the Initial Term Tenant has the option to extend the term of the Ground Lease for an additional five (5) Extension Terms of five (5) years each.
- (iii) The rent commencement date under the Ground Lease is November 8, 2019. Tenant's monthly Rent under the Ground Lease is \$772.50. In addition to Rent, Tenant currently pays revenue share monthly in the amount of \$257.50. All Rent, additional rent and other charges due and payable under the Ground Lease have been paid through the last day of the month in which this Estoppel Certificate is signed by Landlord.
- (iv) The Ground Lease is in full force and effect according to their terms. Neither Landlord nor Tenant is in default under the Ground Lease and there is no event which, with the giving of notice and/or the passage of time, would constitute such a default and Landlord has no claim or defense of any nature whatsoever against Tenant with respect to the Ground Lease and there is no event which, with the giving of notice and/or the passage of time, would constitute the basis of such a claim or defense;
- (v) Tenant may freely sublease space on the ground and/or on the tower without obtaining Landlord's consent.

Tenant and Landlord hereby acknowledge and agree that Purchaser and its successors and assigns will rely on this Certificate.

LANDLORD: Forest Lakes Fire District

Date: \_\_\_\_\_

AGREED TO AND ACCEPTED BY PURCHASER:

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Member Torres made a motion to approve the Estoppel Certificate submitted by SBA. Treasurer Batschelet seconded, and the motion passed unanimously.

- ii. Possible approval of SBA as lessee for cell tower. Per last month's discussion, SBA, is a large, well-known company who owns and operates towers in various states, including Arizona. Dale Wilson subsequently provided additional information, including the company's brochure, which reinforced their suitability as a lessee to replace DW Tower. By acclamation, the board stated it has no objection to the proposed sale to SBA.

- c. Discussion and possible action re: Status Update on Water Tender Modification and Delivery by DB Trucks.

Chief introduced POC member Jim Stout who visited DB Trucks along with fellow POC member Mick Uhlinger on December 1<sup>st</sup> to assess the issues that need to be resolved to allow the DB unit to function satisfactorily for FLFD. They met with Sara and others of DB Trucks and had a very successful meeting, with both sides agreeing on a list of items, some 24 in all, that need to be addressed. Jim took numerous photos to document the areas needing rework/replacement/modification. In an email to Chief Rodriguez dated 12/13/22, Sara conformed the list of items to be addressed and stated they would begin the work just after Christmas, with an expected completion date of February 1<sup>st</sup>. Upon acceptance of the unit,



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Chief took an action to report back to the board with the agreed upon detailed list with a description of what actions were taken to resolve each item.

d. Status update re: Finance Committee meeting of December 12, 2022.

Treasurer Batschelet reported the Finance Committee met this past Monday. Its primary objective was to balance the budget to address the \$60,000 additions from the ODS mileage reimbursement in addition to the health benefits that were added since the 10/31/22 iteration, which was balanced. We decided on a hybrid approach, looking at areas to lower expenses, and then adding to revenues, primarily for EMS receivables to arrive at a balanced budget. Using the 10/31 spreadsheet, as a baseline, Pete increased EMS receivables and cut out some expenses to the tune of locating \$18K which left us with \$42K to find. Chief shared that the rates for ADHS will be increased (official yesterday) and that our ambulance rate would go up. The team opted to increase EMS another \$18K (above the \$5K already added) plus \$4K to miscellaneous as we feel the community, auxiliary, etc., will continue to support the fire department. We incorporated the previously agreed upon CAPEX (including heart monitors and rolling stock) into the plan. All told, we once again zeroed everything out for FY23-24, resulting in a balanced budget, with an \$8K surplus for FY24-25. We feel pretty confident in the budget for the time being.

Pete noted we will discuss the spreadsheet in more detail in the upcoming STRAP session that will include the out years of our 5 year STRAP planning window.

e. Discussion re: Warrant Policy/Signature Stamps. Chairman Hennessey reminded us that, as a matter of practice, Warrant Policy 20 requires warrants be signed by Chief Rodriguez and two board members, with Chief signing them first. Julie's practice is to send out an email notice when she has warrants for board approval. During winter months, we have adopted the practice of using signature stamps for warrants. Since only two board members need sign a warrant, we agreed to allow the use of reply all to notify Julie of our approvals. In reviewing Policy 0020 Julie identified several areas that need to be updated.

f. Discussion re: Outlook email Notifications to Cell Phones. It was agreed that all board members would allow notifications of Outlook emails to be sent to their smart phones. Smart Systems can facilitate the process.

g. Status update re: Annual Audit Status. Chief reported all the audit prep work has been completed. Kay Green will present her report to the board at the February board meeting.

h. Status update re: Grant activities. Chief reviewed the report submitted by John Nelson.

The only grants with any activity are the Hazardous Fuels grant for the past 2 years and the new grant for the next 2 years.

WFHF 20-205 (2020-2022)

- 50 acres treated, completing the project per the agreement
- \$120,593 of grant funds expended. Budget is \$123,300
- Property owner matching funds of \$167,000 far exceeds the \$13,700 minimum requirement
- Final report prepared and ready to submit
- Final reimbursement submittal to State Forestry is waiting for Julie to send the last checks to property owners

NFHF 22-201 (2023 – 2024)

- Formal agreement is signed and work is now authorized
- 40 acres at \$3500/acre; 20% matching funds required
- Agreement updated to allow equipment purchase (chain saw)
- 40 interested property owners identified, plus several on backup list
- Each owner will be required to sign an MOU with FLFD this time
  - Ensures that all information is correct
  - Establishes clear expectations
  - Documents owner commitment to ongoing maintenance
- Firewise page on website has been updated for the new grant

i. Status update re: Governmental Advocacy Committee. Committee Chairman Torres reported he is working on getting our district elected representatives scheduled for a visit to Forest Lakes for a meet and



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greet with the board and the community. This would include a tour of the area. Chief Rodriguez will facilitate the meeting.

j. Status update re: Master Planning Committee Activities. Committee Chairman Hennessey reported he is changing the emphasis of the committee to address only strategic issues, not operational ones like Buildings and Grounds, which will be handled by Chief Rodriguez as part of his Chief's Report. Strategic issues include the FEL garage and possible housing for a new chief.

k. Discussion and possible action re: ODS Mileage Reimbursement/Average Price Check. A check of the average price of gas in Maricopa County, our benchmark, is \$3.93/gallon, making the ODS rebate rate 50 cents per mile, one way from home.

l. Discussion and possible action re: National Special Districts Coalition. Israel reported he has remained in touch with Cole Karr, Federal Advocacy Coordinator, National Special Districts Coalition. In lieu of FLFD pursuing an independent initiative, Israel will explore having AFDA pursue this as a state -wide program, and will approach John Flynn at the upcoming ADFA Conference in January.

m. Discussion re: Assignments for Standing Committees (Finance and STRAP) and Special Committees (Policies, Procedures and Bylaws, Governmental Advocacy and Master Plan).

The committee assignments were presented as follows:

Finance and Budget

Pete Batschelet, Chair  
Chief Rodriguez  
Julie Mattila  
Julie Swanson  
John Hennessey  
Tom Cummiskey

STRAP

John Hennessey, Chair  
Israel Torres  
Pete Batschelet  
Dennis Massion  
Julie Swanson  
Chief Rodriguez

Policies, Procedures and Bylaws

Dennis Massion, Chair  
Chief Rodriguez  
Julie Swanson  
John Hennessey  
Julie Mattila

Governmental Advocacy

Israel Torres, Chair  
John Hennessey

Master Plan (Proposed, To Be Confirmed)

John Hennessey, Chair  
Chief Rodriguez  
Scooter Bennett  
Denny Walter  
Ted Cary, Community Member at Large

n. AFDA Conference update.





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Per Julie Mattila:

- Hotel arrangements made, pre-paid
- Conference arrangements made, fees paid
- Training classes arranged
- Prop 310 class canceled, may need to make alternate arrangements at check-in
- Checks for mileage reimbursement being prepared

10. Fire Chief's Report.

Chief Rodriguez reported as follows:

A1211 has been returned to service. He took the opportunity to have needed/scheduled maintenance done while the unit was in the shop to repair the damage reported last month due to the loss of the rear wheel while on a call in the forest. The recent snowfall was light and fluffy and did not present an operational problem. The GWTS is closed to the public. We continue to have road maintenance and surface water drainage issues to which the county works department remains unresponsive. In response to a question Member Torres asked about the flags used to mark fire hydrant locations Chief responded he would follow up with Grant Cooper. Israel also asked if the snowplows could leave a snow layer on the roads to facilitate movement by snowmobiles, to which Chief responded policy is go down to dirt when plowing. It was suggested FLOA might be able to assist with some of these concerns since they are a community organization.

- 11 Call to the Public/Audience Comments. There were none.
- 12. Fire Board Comments. There were none.
- 13 There being no further business before the board, the meeting was adjourned at 11:33 am.

Notes:

In order to promote openness and transparency, all materials presented at the board meeting are available to be viewed on the FLFD Web Site: [flfdaz.com](http://flfdaz.com), and following the web site prompts; or by going directly to the URL, [flfdaz.com/board-meeting-minutes](http://flfdaz.com/board-meeting-minutes).