



**FOREST LAKES FIRE BOARD
REGULAR SESSION MEETING MINUTES
DECEMBER 16, 2023
DRAFT**



1 Call to Order.

Chairman John Hennessey called the meeting to order at 10:12 am via Microsoft Teams. All members were copied on the annotated meeting agenda prepared by Chairman Hennessey and distributed prior to the meeting.

2 Pledge of Allegiance.

Omitted due to the virtual meeting format.

3 Roll Call of Fire Board Members.

In addition to Chairman Hennessey, Treasurer Pete Batschelet, Member Dennis Massion and Member Israel Torres were in attendance via Teams. Due to technical difficulties, Clerk Julie Swanson attended the meeting telephonically and used the annotated agenda to follow the proceedings. Also in attendance via Teams was Chief Dave Rodriquez, who was physically present at the fire station, and John Nelson, Communications Specialist, who provided technical support for Teams. There were no members of the public in attendance. Chairman Hennessey confirmed that all were able to hear and understand the proceedings.

4 Chairman's Welcome and Activity Report.

Welcome to the last meeting of the calendar year, and the midpoint of our fiscal year.

Haley will not be joining us today. Dave will address her absence in his Chief's report.

It was confirmed that there were no members of the public at the fire station.

Today's meeting is being held via MS Teams.



We will not be having a separate STRAP session today. There is an agenda item to address the remaining open actions for the 2023 STRAP update process that avoids the need for a separate session.

5 Call To the Public/Audience Comments. There were none.

6 Review And Approve the Minutes for the November 18, 2023, 2023, Regular Board Meeting.

Member Massion made a motion to approve the minutes as presented. Member Torres seconded, and the motion was approved unanimously.

7 Review and Approve the Financial Statements for November 2023.

	Forest Lakes Fire District November 2023 General Fund Financial Packet Cover Sheet	
November 2023 =41.66%		
Monthly Revenue: \$ 256,184.31	YTD Revenue \$ 714,117.09 = 55.4%	
Monthly Expenses: \$ 103,884.84	YTD Expenses \$ 581,722.59 = 41.5%	
Monthly Net Gain/Loss: \$ 152,299.47	YTD Net Gain/Loss: \$ 132,394.50	
End of Month Cash Balance: \$ 435,692.70 Total Budget: \$ 1,430.765.00		



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**Forest Lakes Fire District
FY 23-24 Cash Flow Projections**

	A	B	C	D	E
1					
2		\$306,949.85			
3		1st Qtr	Jul-23	Aug-23	Sep-23
4			<i>Actual</i>	<i>Actual</i>	<i>Actual</i>
5		Income	\$23,195.67	\$29,723.79	\$66,751.64
6		Expense	\$103,407.86	\$116,830.26	\$98,072.73
7		Income%	1.78%	2.28%	5.13%
8		Expense%	7.95%	8.98%	7.54%
9		Cash Balance	\$216,665.59	\$129,559.12	\$114,766.03
10					
11		2nd Qtr	Oct-23	Nov-23	Dec-23
12			<i>Actual</i>	<i>Actual</i>	<i>Projected</i>
13		Income	\$338,013.42	\$256,184.31	\$48,043.00
14		Expense	\$152,314.15	\$120,956.91	\$108,915.00
15		Income%	25.98%	19.69%	3.69%
16		Expense%	11.71%	9.30%	8.37%
17		Cash Balance	\$300,465.30	\$435,692.70	\$374,820.70
18					
19		3rd Qtr	Jan-24	Feb-24	Mar-24
20			<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
21		Income	\$48,043.00	\$49,044.00	\$201,591.00
22		Expense	\$102,153.00	\$98,664.00	\$108,915.00
23		Income%	3.69%	3.77%	15.50%
24		Expense%	7.85%	7.58%	8.37%
25		Cash Balance	\$320,710.70	\$271,090.70	\$363,766.70
26					
27		4th Qtr	Apr-24	May-24	Jun-24
28			<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
29		Income	\$166,655.00	\$77,379.00	\$77,379.00
30		Expense	\$102,153.00	\$113,915.00	\$93,664.00
31		Income%	12.81%	5.95%	5.95%
32		Expense%	7.85%	8.76%	7.20%
33		Cash Balance	\$428,268.70	\$391,732.70	\$375,447.70
34		Approved Budget		Projected EOY CB:	\$375,447.70
35		\$ 1,300,872.00		Difference:	\$68,497.85
36		A v P REV	106.24%		
37		A v P EXP	101.47%		

Treasurer Batschelet reviewed the General Fund financial report for the previous month and provided a brief summary report. We are 41.66% through the year. In relation to our published Not-To-Exceed (NTE) budget, Monthly Revenue was \$256,184.31. Monthly Expenses were \$103,884.84 for a Monthly Net Gain of \$152,299.47. YTD revenue is at 55.4% while YTD expenses are at 41.5%. The end of the month cash balance was \$435,692.70. Regarding Cash Flow Projections, our approved operating budget is \$1,300,872. We are in good shape financially.

Treasurer Batschelet made a motion to approve the subject financial statements. Member Torres seconded, and the motion was approved unanimously.



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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. Discussion re: Finance Committee Status. (Pete)

Our finances are in order. Years 1 and 2 of the 2023 STRAP Update 5 Year Forecast reflect a balanced budget. The issues with the county re: FLDWID payroll have been resolved. We don't anticipate any further problems.

- b. Motion and Possible Action re: Approval of the Revised Compensation Plan for Chief Rodriguez as Introduced at the November Board Meeting (John)
 - a. Revise Current Contract to Increase Annual Compensation from \$87,800 to \$92,800 Effective January 1, 2024.
 - b. Incorporate Contract Language Guidance for the New Contract to Adjust Annual Compensation from \$92,800 to \$97,800 Effective July 1, 2024 and to Remain Unchanged for the Two-Year Duration of the Contract.

Since the motion to approve the subject increase has spanned two meetings, we reviewed last month's discussion and led into today's comments. By way of background, and to summarize last month's discussion, which is documented in last month's meeting minutes, Chief addressed his request for a compensation increase. In the ensuing discussion the overall sentiment for approving the increase was positive. It was decided to table the motion to approve the request until this month's meeting to allow board members time to further consider the issue.

Prior to opening the floor to further discussion, as part of our due diligence, Chairman Hennessey noted there were some concerns raised last month about the perception of the public related to taxes and affordability of the increases.

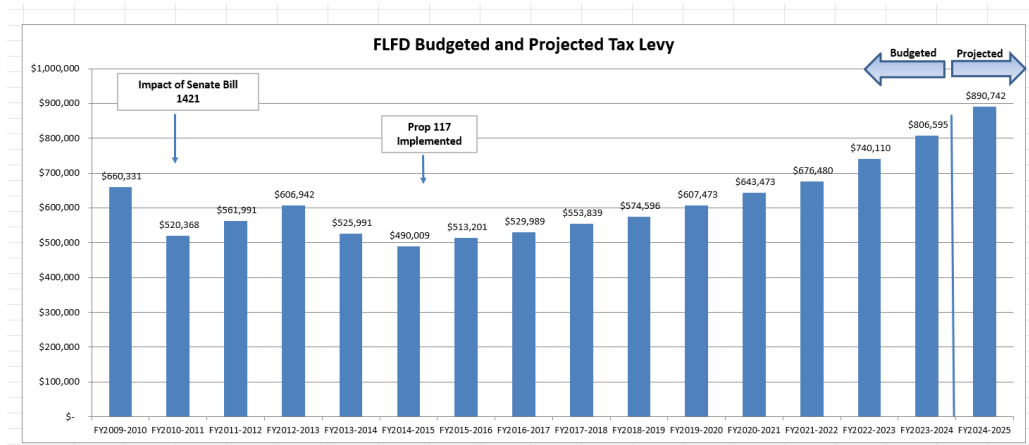
Regarding affordability, Treasurer Batschelet has modeled the proposed increases and reports we have a balanced budget projected for the next two fiscal years and beyond with the increases included.



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Regarding the tax burden of the fire district, Chairman Hennessey produced the following chart:



It took 12 years for tax levies to recover from the initial impact of SB1421 and the subsequent continued effect of Prop 117: \$660,331 in FY2009-2010 to \$676,480 in FY2012-2022. That’s 12 years with essentially a zero overall tax increase.

As an additional item, in researching Chief’s salary history, Chairman Hennessey noted Dave had worked as Chief of the district for about 12 years with no increase in salary. His first increase was incorporated in his contract effective July 1, 2022 (\$79,500 to \$83,650).

The floor was opened for further discussion, with no objections noted to sub-part a of the agenda item. Member Torres made a motion to revise the current contract to increase Chief’s annual compensation from \$87,800 to \$92,800 effective January 1, 2024. The motion was seconded by Clerk Swanson, and it passed unanimously.

Moving on to sub-part b of the agenda item, Chairman Hennessey took the action at last month’s meeting to draft a contract modification to address the overall agenda item 8b, which is shown below:

The purpose of this amendment is to replace the current contract language of Exhibit 1, paragraph 3.1., which was approved by board action on June 18, 2022:

3.1 Salary. Per Board action of June 18, 2022, the designated salary amounts shall be \$83,650 for FY 22-23 and \$87,800 for FY23-24, less scheduled payroll deductions, paid in bi-weekly increments. Subject to future Board review, the annual salary for FY 24-25 through FY 26-27 shall be \$92,000. (The parties acknowledge that the fire chief position is FLSA exempt from overtime.)

with the following contract language, paragraph 3.1., approved by board action December 16, 2023:

3.1 Salary. Per Board action of December 16, 2023, the designated salary amounts shall be \$83,650 for FY 22-23 and \$87,800 for FY23-24, July 1, 2023 through December 31, 2023, and \$92,800 for January 1, 2024 through June 30, 2024, less scheduled payroll deductions, paid in bi-weekly increments. Subject to future Board review, the annual salary for FY 24-25 through FY 26-27 shall be \$97,800. (The parties acknowledge that the fire chief position is FLSA exempt from overtime.)



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Member Torres made a motion to incorporate the contract language as presented. Treasurer Batschelet seconded, and it passed unanimously.

Note: the contract change will be incorporated via addendum to the existing contract. The addendum, with language per the above motion, will be signed by Chief Rodriquez and Chairman Hennessey, with an effective date of December 16, 2023. It will be filed with the original current contract.

c. Motion and Possible Action: Approve Compensation Plan for ODS. (John)

Chief has requested a market-based adjustment to employment compensation for the On Duty Staff (ODS), as follows: EMS from \$20 to \$22 and Fire from \$17.50 to \$19.50.

It was noted the effectivity date of the adjustment is year 2 of the 5-year STRAP update. Regarding affordability, Treasurer Batschelet has modeled the proposed increases and reports we have a balanced budget projected for the next two fiscal years and beyond with the proposed increases included.

Member Massion made a motion to incorporate the proposed compensation changes. Treasurer Batschelet seconded, and the motion passed unanimously.

Note: Policies, Procedures and Bylaws Chairman Massion shall incorporate the compensation changes in Pay Policy 0021, with an effective date of December 16, 2023.

d. Motion and Possible Action to Change the Board Meeting Day and Time from the Third Saturday at 10:00 am to an Acceptable Weekday and Time. (John)

The rationale for the current meeting day and time is historically based, and may no longer be relevant. Discussion ensued regarding a possible change. The consensus was to change the meeting day for the winter period only (November through April) to the Thursday preceding the third Saturday of the month, at 10:00 am.

A motion was made by Treasurer Batschelet to make said change. Member Torres seconded, and the motion passed unanimously.

Webmaster John Nelson took the action to post the new meeting date on the web site. Chief Rodriquez took the action to notify the County Board of Supervisors and our attorney, Bill Whittington.

e. Motion and Possible Action: Approve Health Benefits Plan for Chief and Admin Assistant (John)

Chief reported the full unadjusted monthly cost for his health care coverage is \$1,361.00. From this we subtract \$150.00 as the Fire Union pays this monthly towards the benefit package, for a total monthly cost of \$1,246.75. For the purpose of the 5 Year Forecast, the annualized cost is \$14,961.

The cost of health care coverage for the admin assistant position will be determined once that position is filled. Note: the 5 Year Forecast has a ROM estimate of \$15,000 for said coverage.

f. Master Plan Update: Discussion re: FEL Shelter (Dave/Pete)



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Pete had advanced a concept for the FEL shelter that incorporates stacking shipping containers in an open U-shaped configuration in lieu of a pole barn type metal building, which was the default configuration as of several meetings ago, pending investigation of its capability to withstand heavy snow load. The stacked shipping container concept has some appeal, but there is concern about aesthetics, acceptance by the immediate neighbors and Coconino County Community Development, should their approval be required. Member Torres requested a side-by-side comparison of the two concepts, including cost, a graphical representation of both and position on site.

The discussion was tabled pending time to address Member Torres’s request.

- g. Discussion re: Update on Attendance at the January 2024 AFDA Conference in Laughlin. (Dave)
Chief will engage Julie Mattila on Monday to resolve any issues, including hotel room confirmations and attendee scheduling. Note: all board members except for Treasurer Batschelet will attend, along with Chief Rodriquez.
- h. Status Update re: Annual Audit (Dave)
Audit is to be sent to the County by April. We will know the afternoon of December 18th when the audit team is scheduled for their visit. We plan to be on schedule.
- i. Status Update re: Grant Activities. (Dave/John Nelson)
Grant Administrator John Nelson reported the only active grant is the Hazardous Fuels grant. We are halfway through the grant period, and are on plan. He advised Treasurer Bastchelet we should be receiving \$22,700 grant reimbursement funds by the end of the year. The window for the FEMA Firefighter Assistance grant will be opening soon. He is prepared to start the process once Chief Rodriquez identifies his grant compliant needs.
- j. Status Update re: Governmental Advocacy Committee. (Israel)
Committee Chairman Torres reported things are quiet at the State Capitol. We are in the pre-Bill Filing Period and thus far no Fire and/or EMS activity has been recorded.
- k. Status Update re: EMS Receivables and Call Volume Report. (Dave)
Discussion was tabled until next month.
- l. Motion and Possible Action re: ODS Mileage Reimbursement/Average Price Check. (Pete)
 - a. Establish a Consistent Methodology for Establishing the Reference Price per Gallon for ODS Reimbursement (Pete)
 - b. Confirm Rate Table Going Forward (John)

The board approved rate table for ODS fuel is shown for the record.

Cost of Fuel \$4.27 and above:	\$0.655/mile for on duty staff one way
Cost of Fuel \$3.50 - \$3.99:	\$0.50/mile for on duty staff one way
Cost of Fuel \$3.00 - \$3.49:	\$0.25/mile for on duty staff one way
Cost of Fuel \$3.00 and below:	\$0

There was a wide-ranging discussion on the subject.

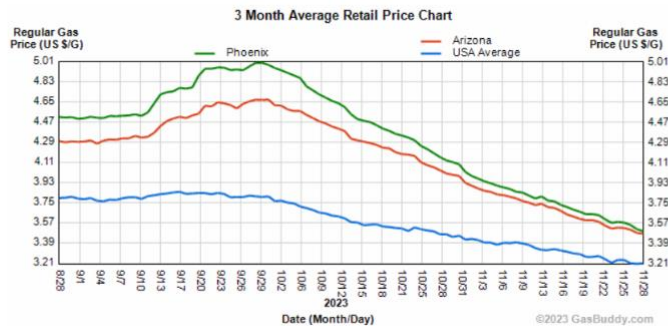


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Treasurer Batschelet noted the cost of fuel as quoted in past months by Chief Rodriguez does not fit with his experience. We have been reimbursing the ODS at the \$0.655/mile for on duty staff one way travel for quite some time based on searches during board meetings by Chief Rodriguez to estimate the average fuel price in Maricopa County, upon which our formulary is based.

A study from the GasBuddy web site produced the following chart, a 3-month snapshot, with data from Phoenix, Arizona and USA Average, which shows gas prices have declined considerably since early October and are in the \$3.50 range for Phoenix and Arizona.



Chief Rodriguez’s recommendation is that we fix the rate at \$0.655. That would essentially change the basic nature of the policy from a pro-rated reimbursement policy to a pay policy, which requires separate board motion and possible action.

Recently, Pete has made the observation that gas prices he has observed in the valley are in the \$3.25 range. This supports the agenda topic that we need a consistent methodology for applying the board approved policy for reimbursement. Comments were made that the board approved policy has served its purpose but needs to be fairly and consistently implemented. It is our fiduciary responsibility to do so.

Treasurer Batschelet and Chief Rodriguez took an action to recommend a consistent methodology for applying the board approved policy. Chairman Hennessey and Member Torres agreed to be available to assist if needed.

Subsequently, Treasurer Batschelet made a motion to reduce the current \$0.655 reimbursement rate to \$0.50 for the next month. Clerk Swanson seconded the motion. The motion passed by a vote of four to one, with Member Torres voting no.

- m. STRAP Update Cleanup Activities in Lieu of a Separate Session 4



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- a. Finalize Five-Year Plan and Forecast
 - i. Mil Rate, Compensation, Health Care Costs, CAPEX (Including FEL Shelter)

Board Chairman Hennessey, in his role as the Chairman of the STRAP Committee, reported our Mil Rate has been confirmed as \$3.75, by statute for the 5-Year STRAP window. Chief Rodriguez's compensation has been addressed, as has the ODS. Real health care costs for the admin assistant are not known at this time due to the termination of Haley (note – we will stay with the original STRAP estimate for the time being.) FEL cost is currently included, but will be addressed further.

- b. Chief's Top Priorities

These are included here for the record.

- Maintain On-Duty Staff
- Identify Grant and Alternative Funding Opportunities
- Recruitment of POC Candidates
- Maintain and Enhance Community Relationships
- Entertain Auxiliary as a Funding Alternative

- c. Plan for Document Publication

- i. First Draft, Available at or before the February Meeting
- ii. Approve Document for Publication, March Meeting Agenda Item
- iii. Publish Document, March 20th Publication Date

9 Fire Chief's Report. (Chief Rodriguez)

Chief reported we have a new POC member, Dino Cerchie. Dino will be enrolling in an EMT program this spring.

Call volume is reflective of prior years. Crews are prepared for winter month responses.

10 Call To The Public/Audience Comments. There were no members of the public.

11 Fire Board Comments.

Chairman Hennessey made the comment that we will use Teams for the board meetings until further notice.

12 Adjournment. There being no further business before the board, the meeting was adjourned at 11:50 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 and following the web site prompts; or by going directly to the URL, flfdaz.com/board-meeting-minutes.