



**FOREST LAKES FIRE BOARD  
REGULAR SESSION MEETING MINUTES  
August 19th, 2023**



- 1 Call to Order by Chairman Hennessey at 10:06am.
- 2 Pledge of Allegiance.
- 3 Roll Call of Fire Board Members. In addition to Chairman John Hennessey, Clerk Julie Swanson, Treasurer Pete Batschelet, Member Dennis Massion were in attendance at the fire station. Member Torres was absent. Also in attendance were Chief Dave Rodriguez and Admin Julie Mattila at the fire station.
- 4 Chairman's Welcome and Activity Report.

Welcome to our August 2023 board meeting, the second one of the new 2023-2024 fiscal year.

Coconino County Supervisor Judy Begay and staff will be joining the meeting today and they will be introduced at that time.

Labor Day ICS.

Auditor General Budget Submittal. I am pleased to announce the recent submittal of the Auditor General Budget form went without a hitch. This is the second time we have been required to submit this budget format. Thanks to our Admin. Asst., Julie Mattila, who created a mapping process to go from our internal budget format to that required by the Auditor General, we were able to generate the required budget in short order.

- 5 Call To the Public/Audience Comments. John Nelson spoke about concerns in the community regarding insurance companies raising rates and dropping coverage which raised some secondary questions regarding our ISO rating. The question was, was our ISO rating degraded. John answered that our ISO rating has not changed. The information about it continues to be on our website at the bottom of the new page. Member Massion asked what our rating was. Forest Lakes Fire District's ISO rating is a "4".
- 6 Review and Approve the Minutes for the July 15th, 2023, Regular Board Meeting. Member Massion made a motion to approve the minutes as presented. Pete Batschelet seconded, and the motion passed unanimously.
- 7 Review and Approve the Financial Statements for July 2023. Treasurer Batschelet reviewed the General Fund financial report for the previous month and provided a brief summary report. We are 8.3% through the year. In relation to our published Not-To-Exceed (NTE) budget, Monthly Revenue was \$23,195.67. Monthly Expenses were \$103,407.86 for a Monthly Net Loss of \$80,212.19. YTD revenue is at 1.8% while YTD expenses are at 7.4%. The end of the month cash balance was \$216,665.59. Cash Flow Projections: Our approved budget is \$1,300,872.00. Treasurer Batschelet made a motion to approve the financial report Member Massion seconded, and the motion passed unanimously.



**Forest Lakes Fire District  
July 2023  
General Fund Financial Packet Cover Sheet**



**July 2023 = 8.3%**

**Monthly Revenue: \$ 23,195.67      YTD Revenue \$ 23,197.17 = 1.8%**

**Monthly Expenses: \$ 103,407.86      YTD Expenses 103,407.86 = 7.4%**

**Monthly Net Gain/Loss: \$ -80,212.19      YTD Net Gain/Loss: \$ -80,212.19**

**End of Month Cash Balance: \$ 216,665.59      Total Budget: \$ 1,430.765.00**



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<b>\$306,949.85</b>			
<b>1st Qtr</b>	<b>Jul-23</b>	<b>Aug-23</b>	<b>Sep-23</b>
	<i>Actual</i>	<i>Projected</i>	<i>Projected</i>
Income	\$23,195.67	\$82,129.00	\$81,129.00
Expense	\$103,407.86	\$98,664.00	\$108,915.00
Income%	1.78%	6.31%	6.24%
Expense%	7.95%	7.58%	8.37%
Cash Balance	\$216,665.59	\$200,130.59	\$172,344.59
<b>2nd Qtr</b>	<b>Oct-22</b>	<b>Nov-22</b>	<b>Dec-22</b>
	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
Income	\$225,427.00	\$153,653.00	\$48,043.00
Expense	\$102,153.00	\$147,586.00	\$108,915.00
Income%	17.33%	11.81%	3.69%
Expense%	7.85%	11.35%	8.37%
Cash Balance	\$295,618.59	\$301,685.59	\$240,813.59
<b>3rd Qtr</b>	<b>Jan-23</b>	<b>Feb-23</b>	<b>Mar-23</b>
	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
Income	\$48,043.00	\$49,044.00	\$201,591.00
Expense	\$102,153.00	\$98,664.00	\$108,915.00
Income%	3.69%	3.77%	15.50%
Expense%	7.85%	7.58%	8.37%
Cash Balance	\$186,703.59	\$137,083.59	\$229,759.59
<b>4th Qtr</b>	<b>Apr-23</b>	<b>May-23</b>	<b>Jun-23</b>
	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
Income	\$166,655.00	\$77,379.00	\$77,379.00
Expense	\$102,153.00	\$113,915.00	\$93,664.00
Income%	12.81%	5.95%	5.95%
Expense%	7.85%	8.76%	7.20%
Cash Balance	\$294,261.59	\$257,725.59	\$241,440.59
Approved Budget	Projected EOY CB:		\$269,054.88
\$ 1,300,872.00	Difference:		<b>(\$37,894.97)</b>
<b>A v P REV</b>	94.83%		
<b>A v P EXP</b>	99.10%		

Since this is the first month of the new fiscal year, now is an appropriate time to look at the financial reporting to remind us of the process. The financial package is a joint work product of our Treasurer, Pete, and Admin Assistant, Julie Mattila. Julie publishes the financial package before the board meeting following final collaboration with Pete. This month's report has a total of 18 pages. Pete is responsible for the first two pages: the cover sheet and the cash flow projection, which is required by statute. The remaining 16 sheets contain all the supporting detail and data, which are provided by Julie, which she extracts from Quick Books

The cover sheet, using data supplied by Julie, shows our current and YTD status of revenues and expenses versus our approved, Not to Exceed (NTE), budget. The Cash Flow Projection worksheet tracks our progress



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against our operating budget, which is equal to our NTE budget minus contingency, roughly 10% of the budget. It is a combination of actuals and projections, which Pete controls.

This is the same process we have successfully employed for many years.

We employ an outside auditor to conduct an annual audit. We employ the services of an outside consultant to provide guidance as needed, as well as periodic reviews, which facilitates the annual audit process.

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: Chief's Annual Performance Review

Chairman Hennessey reported he had prepared and delivered Chief's performance review Friday August 11<sup>th</sup>. He had input from all board members plus immediate past chairman Cummsiskey. Copies of the review, which is subject to Executive Privilege, have been sent to all Board Members plus Chief Rodriquez.

The review was very favorable, and in the spirit of continuous improvement, had only some administrative issues to be addressed. He and Chief Rodriquez also agreed to schedule discussions related to his follow-on two-year employment contract in the May-June time frame, which will be effective July 1, 2024.

Chief Rodriquez stated that he appreciated the feedback from each board member and said that it remains an honor to continue as the Fire Chief. He said it is a great group of people to be surrounded with and the goal is to continue.

b. Discussion and Possible Action re: County Attorney Request for Board Approved Resolution Stating FLFD Will Use Bill Whittington for Its Professional Services Needs in Lieu of the County Attorney.

Mainly intended to document, per the County Attorney's request, that the board has chosen to use the legal services of Bill Whittington and associates in lieu of the County Attorney.

Pete Batschelet made a motion to approve the resolution as presented, Member Massion seconded and the motion passed unanimously.

c. Discussion and Possible Action re: SBA Offer for Cell Tower Buyout.



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Treasurer Batschelet, who has significant experience in dealing with such issues, for his recommendation, and motion for how to proceed. Treasurer Batschelet suggested that we turn down the offer and took on the task of responding to SBA with the answer from the Board.

- d. Discussion and Possible Action re: Response to SC (Audit & Accounting Solutions, LLC) Audit Engagement Letter Dated August 10, 2023, to Replace the Three-Year Contract Which Has Expired.

Chief Rodriquez said he spoke with Kay Green from SC Audit & Accounting Solutions, LLC regarding our new contract proposal. The level of service that they are proposing is greater than in the past. They did ask for additional money last year for the additional work that had to be done. Going through the new engagement letter is 40% more than what we have paid in the past. Chief spoke with Kay and stated that we do not have the budget for the increase and our budget is set. We will start searching for a new auditor group. He also reached out to our Attorney to see what the state statutes require. We need to have this in place by November. Chief will reach out and see if we can renegotiate this to a lower cost.

- e. Discussion and Possible Action re: Fire Board Succession Planning

Succession planning is a topic we will address in the upcoming STRAP Update sessions. It considers all positions on the Leadership Team, including the support staff.

Last year we had to deal with the retirement of Chairman Cummiskey after 12 years of service. Then Clerk Hennessey had prior experience as Board Chair, somewhat easing the transition.

Chairman Hennessey's term expires in November 2024. He has decided not to pursue another term.

We have the opportunity over the next 12 months or so to do some cross training so that all board members will feel comfortable assuming any role on the board. That will allow them to use the upcoming AFDA Board member training in January to further refine their decisions.

Of particular interest today is what changes should we consider to board assignments now to better prepare for the transition to a new board member and new Board Chairperson next year.

As noted, these considerations will be explored more fully in the upcoming Strategic Planning sessions.

At this point in the meeting Coconino County Supervisor Judy Begay and her Admin Assistant Angie arrived. Chief greeted them and introduced them. Supervisor Begay addressed the Board. She spoke about the new projects and actions that are going on in the county.

- f. Discussion re: 2023 STRAP Update Sessions Which Begin September 16<sup>th</sup>.

The Strategic Planning Sessions begin with Chief Rodriquez delivering his "State of the District" message as the first order of business at September's STRAP meeting. STRAP sessions take place following the regular board meetings on the third Saturday of the month, concluding in December. Meetings take place after a short lunch break following the regular meeting. The public is encouraged to participate.

The first STRAP document was published in December 2010, and has been updated annually since then. It is the foundation of our planning process.

Discussion began regarding attendance for the STRAP meeting. It was discussed to move the next meeting to September 23<sup>rd</sup> instead of the 16<sup>th</sup>. This includes the Regular Board meeting time as well.

- g. Status Update for Master Planning Committee Activities re: Alternative Approach for the Front-End Loader (FEL) Shelter.



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The Master Planning Committee was created following the completion of the Fire Station to address projects needed to support overall operations not addressed by the new station.

One of those unresolved projects is a shelter for the FEL. Chief talked about the alternative plan, instead of a full structure to protect the FEL and fuel cells is to design a Pole Barn, it will be cheaper and we will not have to go through the permitting process. Chief explained the challenges that we would be facing trying to construct a building. The block that was left over from the fire station we had hoped to use will be used for new retaining walls. There was a discussion regarding how big the Pole Barn will be and do we have to go out for bids. Chief explained that we can do a lot of the work in-house. We may not need a permit. Chief will give an update next month.

- h. Status Update re: Grant Activities. John Nelson spoke about the Community Wildfire Protection Plan. We did not get the grant due to the fact that we did not meet the criteria. Jay Smith at the county level who is suggesting that we Forest Lakes join in with the county's proposal and be a part of a countywide effort. Angie from Coconino County spoke about the reason for joining is because of the cost associated with the grant. Pulling in the other fire districts with this grant so the cost will be picked up by the county. We will be going to participate. There was a question regarding timeline for the grant. The grant is a one-time grant. You create your CWPP that meets all of your community needs the state department of forestry is heavily involved they will help us with their programming to create not only a document but a map and strategic and tactical in nature that if we do have something happen there are benchmarks to hit. The cost has not been established. Once they have number of districts that will participate, we will know the cost. The district will have a 10% cost match. The grant will be effective this next physical year. The county offered the use of their staff and cost reimbursement for costs incurred during this process. The hazardous fuels grant is going very well. There have been several properties that have taken advantage of the grant. We have received our first check from the state. The concern is that insurance companies may push for more participation from homeowners.
- i. Discussion re: Use of Microsoft Teams as an Option for Regular and Special Board Meetings. At last month's meeting, it was suggested we conduct a trial Teams approach to the board meeting using selected members of the public with various levels of proficiency with internet access at a future meeting. This could also represent a training session to evaluate future plans. It was suggested that our Communications Specialist, John Nelson, be selected to lead this effort.

I am pleased to report John N. would be willing to take the lead on some trial runs with MS Teams. He will do some investigating and testing in preparation for further discussion at the September meeting.

Regarding cost implications brought up in the discussion last month, he reported he is not aware of any financial ramifications. He can use the FLFD laptop that he has for programming radios. He will reach out to Smart Systems our IT group and have Teams installed on his laptop. There is no cost except what Smart Systems will charge to do the installations.

- j. Status Update re: Governmental Advocacy Committee. There were no comments at this time.
- k. Status Update re: EMS Receivables and Call Volume Report. Calls are down. We are not responding to as many calls as in the past. The last 6 weeks we have been busy with wildfires with assistance to Black Mesa Ranger District and Tonto National Forest. The water tender has seen a lot of action.
- l. Discussion and Possible Action re: ODS Mileage Reimbursement/Average Price Check.

Chief Rodriguez would like to have an override and keep the rate at \$0.655 in lieu of a raise for on-duty staff. The board will do a temporary override for this month and do a further exploration of this issue next month. The board took a vote and was unanimously accepted.



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Cost of Fuel \$4.00 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

Average from Julie M.: \$4.24

Coconino County Supervisor Judy Begay interjected with information regarding the Short-Term Rentals. The new ordinance will take effect in November. She spoke about the new ordinance and the rules that will be applied to property owners. The county will require homeowners to apply for a permit and hold liability insurance. Homeowners will also be required to have a business license to have a Short-Term Rental property and it will prohibit them from using their property for large parties and events.

9 FIRE CHIEF'S REPORT.

Chief has thanked Supervisor Begay for all the information regarding the Short-Term rental ordinance. He also wished Chairman Hennessey a Happy Birthday and Lou St. Germain also. He updated information about Mary St. Germain's health.

Chief reported that fire restrictions have been lifted for our area. Tonto National forest still has restrictions. We still require burn permits in Forest Lakes.

Chief announced that Julie M. has had her Two Year Anniversary with FLFD.

10 Call To the Public/Audience Comments. There were no comments from the public.

11 Fire Board Comments. Board members may identify issues they would like placed on a future agenda but may not propose action or express their opinions on such items.

Member Massion thanked the county for the additional Sheriff to help with the hwy patrolling.

12 Adjournment. Meeting was adjourned at 11:35am.

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).