



**FOREST LAKES FIRE BOARD
REGULAR SESSION MEETING MINUTES
JANUARY 21, 2023**



- 1 Call to Order. The meeting was called to order via teleconference by Chairman John Hennessey at 10:06 am.
- 2 Pledge of Allegiance. Dispensed with due to the teleconference.
- 3 Roll Call of Fire Board Members. In addition to Chairman Hennessey, Clerk Julie Swanson, Treasurer Pete Batschelet, and Member Israel Torres were in attendance via teleconference. Member Massion was absent. Also in attendance were Chief Dave Rodriguez and Julie Mattila at the fire station. For the record, we had a quorum of the board.
- 4 Chairman's Welcome and Activity Report. Chairman Hennessey welcomed everyone. Due to the inclement weather, we are holding the meeting telephonically. There are special items to be addressed: 1) Status update re: LPA Amendment 3 and modification thereto; 2) Status update re: FLFD (as Lessor) to support DW Tower transaction with SBA and amendment to original tower lease; 3) Status update re: DB Trucks Water Tender; 4) Administrivia related to the new board.; and 5) Fire District Tax Levy Limit worksheet expected in early February.
- 5 Call to the Public/Audience Comments. There were none present.
- 6 Review and Approve the Minutes for the December 17, 2022, Regular Board Meeting. Clerk Julie Swanson made a motion to approve the minutes as presented and Treasurer Batschelet seconded. The motion passed unanimously.
- 7 Review and Approve the Financial Statements for December 2022. Treasurer Batschelet reviewed the General Fund financial report 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 58.4% while YTD expenses are at 59.2%. The end of the month cash balance was \$458,312.14. The projected year-end cash balance is \$455,981.14. FDAT receivables are at 63.9% YTD, higher than projected due to the November FDAT numbers finally being added by the county treasurer's office. Expenses were higher than expected, due mostly to higher legal fees incurred from DW Tower and DB Trucks along with unexpected repairs to Attack 1211 and the Chief's battalion truck. There was a discussion regarding the coding of our insurance premiums. The account 5103 Commercial Package seems to be capturing all of the payment since our insurance company bills us as a whole and does not separate the invoice to reflect each group. The comment was made to go back to one code account instead of 3. There was a request by Chief Rodriguez to add an agenda item for next month's meeting to discuss using contingency funds to offset the cost of legal fees and additional expenses that were unexpected. Chairman John Hennessey will add to the next month's agenda. 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. This is still an ongoing investigation. Treasurer Batschelet made a motion to approve the financial report. Member Torres 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.
- 8 Business.
- a. Discussion re: Status update of executing Amendment 3 to the Lease/Purchase Agreement with Zion Bank.



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Relevant discussion points:

- Said resolution approved by Board motion on December 17, 2022.
 - The amended resolution was signed by Chairman John Hennessey and Chief Dave Rodriquez at the AFDA Conference and forwarded via postal mail on January 16, 2023, to Zion Bank for their signatures, resulting in a signed legal agreement between FLFD and Zion Bank removing the old fire station property (parcels 3&4) from the loan. This remedies our IRS non-compliance issue with the LPA due to revenue received from our lease with DW Tower. This gives us closure of this issue.
- a.i. Discussion and Possible Action re: Authorizing Board Chair Hennessey to substitute the legal description marked exhibit “A” to the resolution approved by this Board December 17, 2022, with an updated legal description accounting for the encroachment onto Lot 297 discovered by DW Tower, and to sign for the same.

Relevant discussion points:

- Per agreement with FLFD, Zion Bank and DW Tower recordation of Amendment 3 as approved by Board resolution is on hold pending receipt of revised legal description of Lot 297.
- Subsequent investigation re: support for DW Tower sales transaction with SBA revealed the Lease Agreement between DW Tower and FLFD needs to be amended due to the non-compliance by DW Tower.
- Affected parties agree remedy to resolve the non-compliance is best addressed by a new legal Description of Lot 297.
- Zion’s position is the approved resolution is not materially affected and a new legal description can be inserted for the old one.

A motion authorizing Board Chair Hennessey to substitute the legal description marked exhibit “A” to the resolution approved by this Board December 17, 2022, with an updated legal description accounting for the encroachment onto Lot 297 discovered by DW Tower, and to sign for the same, was made by Member Israel Torres and seconded by Treasurer Pete Batschelet. The motion was unanimously approved.

- b. Discussion re: Status update for FLFD (as Lessor) to support DW Tower transaction with SBA.

Relevant discussion points:

- In support of the proposed transaction a due diligence ground survey was made by DW Tower to verify the legal description of the leased property per the Option and Lease Agreement in place between DW Tower and FLFD.
- It was reported to FLFD on January 14th that the cell tower and its support buildings encroached onto Lot 297, which is held as collateral by Zion Bank against the LPA.
- A new legal description for Lot 297 requires a new legal description of FLFD’s leased property to DW Tower which will require an amendment to our lease.

- b.i. Discussion and possible action re: Possible Board approval of First Amendment to the Option and Lease Agreement with DW Tower to account for the three-foot encroachment of the tower support building onto Lot 297 and to provide additional time for delivery of the Estoppel to DW Tower.

Relevant discussion points:



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- Existing Option and Lease Agreement must be amended.
- To expedite the process SBA's attorney, in conjunction with DW Tower and Bill Whittington, created a red-lined version of the existing Lease Agreement, which the Board reviewed and can take action on.
- FLFD, by virtue of its relationship to both Zion Bank and DW Tower, has a material interest in the process, and will remain involved until the issue is resolved to the satisfaction of all parties involved.
- FLFD has incurred legal expenses for its involvement thus far and will pursue compensation from DW Tower.
- Chief Rodriguez had been in contact with Dale Wilson regarding these expenses and Dale Wilson has expressed that DW Tower will reimburse FLFD for the incurred expenses.

A motion for Board approval of First Amendment to the Option and Lease Agreement with DW Tower to account for the three-foot encroachment of the tower support building onto Lot 297 and to provide additional time for delivery of the Estoppel to DW Tower was made by Member Torres, and to include in this motion a provision that either Board Chair Hennessey or Chief Rodriguez can represent the District in carrying out the amendment. The motion was seconded by Clerk Julie Swanson, and was unanimously approved.

c. Discussion and possible action re: Delegating authority to Chief Rodriguez to represent the Board in the negotiations for the Cell Tower transaction with Lessee SBA.

Relevant discussion points:

- Per advice from our attorney only the Board has authority to enter into negotiations for the district.
- Said authority can be delegated to the Chief on a case-by-case basis.

A motion was made by Member Torres to delegate authority to Chief Rodriguez to represent the board in negotiations for the new Cell Tower transaction with Lessee SBA. It was seconded by Clerk Julie Swanson, and the motion was unanimously approved.

d. Status update re: Water Tender modification and delivery by DB Trucks and delivery by DB Trucks.

Relevant discussion points:

- Some 22 items were identified by FLFD and brought to the attention of DB Trucks, requiring them to rework/modify/replace said items to make the unit serviceable to fire standards.
- Said rework slated to start right after Christmas.
- FLFD will do final test on functionality at water tender completion.
- One area that will not be addressed by rework/modification/replacement by DB Trucks is the addition of a longitudinal baffle in the water tank to prevent sloshing. Operational issues related to water movement will be addressed with training by FLFD.
- Promised completion was the first week of February.
- Chief Rodriguez reported that work was to be started in January and delivery would be some time around the first week of February.

e. Status update re: Grant Activity.



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Relevant discussion points:

- Chief Rodriguez reported a new water tender grant in the amount of \$10,000 has been awarded through the State Forestry Department for miscellaneous equipment to equip the new water tender. The 50/50 grant, not to exceed \$10,000 total, means the Fire District could spend up to \$5,000. The miscellaneous equipment (hoses, drafting equipment and appliances) has been ordered at a cost of about \$4,200.
- We also submitted a full reimbursement grant for a Portable Tank for the water tender.

f. Status update re: Governmental Advocacy Committee.

Relevant discussion points:

- Committee Chairman Torres reported the Legislature is in their second week so they are getting a sense as to how the parties are going to work together.
- It doesn't seem like they are going to work together well so we will get a sense of how that will impact Fire Districts.
- There have been 601 bills introduced thus far. There were almost 2000 bills that were heard last year and we expect many more to be introduced into the session.
- AFDA is also tracking about 40 plus bills right now. We will need to see how those bills will impact our issues.
- Discussion from AFDA and the AFDA Board regarding Prop 310, which was not successful. There is a question as to whether the AFDA Board and John Flynn will try to introduce this again, or whether it would get any traction.
- Chief Rodriguez responded with information:
 - One of the fire chiefs invited Chief Rodriguez to a meeting with the AFDA Board to discuss the impact of Prop 310 not passing.
 - Chief is going to be appointed by the AFDA Board to represent the smaller rural fire districts in regards to the financial crisis that exists with many of those that are maxed out with their Mil Rate.
 - AFDA is pursuing the possibility of one-time money to help fire districts with whatever criteria they use to go after rolling stock or a major purchase since the funds are available.

g. Status update re: Master Planning Committee Activity

Relevant discussion points:

- Committee Chairman Hennessey reported the committee will focus on building and property plan elements with strategic emphasis (High CAPEX).
- We will investigate cost and feasibility of providing a chief residence on-site to mitigate the high cost of homes in Forest Lakes.
- He will recommend the Finance Committee consider showing \$200K in FY26-27 of the 5-year forecast as a placeholder to cover such an eventuality.
 - Shows our intent to have Capital Reserve to support Chief replacement.
 - Draws down our year end cash balance to our Board guideline of \$175K to cover district operations from Jul thru Sep.
 - The FEL garage also falls under the purview of the committee (meets the CAPEX threshold.)



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h. Discussion and possible action re: Change Board meeting time to 12 noon.

Background information:

- By Statute FLFD must have a Board approved public notice of meetings on file with the Clerk of the Board of Supervisors.
- The latest version was released 08-21-2019.
- If Board action is to change the meeting time to 12:00 noon from 10:00 am, a revised notice must be sent to the Clerk Coconino County Board of Supervisors.

Relevant discussion points:

- Change for winter only or keep year around.
- There may be a conflict with normal STRAP update meetings. (Sept. thru Dec).
- It was noted that if there is a Finance Committee meeting following the board meeting that would push the meeting time too much later in the afternoon, thereby making the travel time home for members much later.

There was a majority agreement to leave the meeting time as it stands.

i. Discussion and possible action re: ODS Mileage Reimbursement/Average Price check.

Chief Rodriguez checked and the new gas price changed to \$3.72 so reimbursement will stay at .50.

j. Status update re: Warrant policy /Signature stamps.

Julie Mattila reported that our new Board members have been approved by our bank (JP Morgan) to use their signatures for warrant purposes. Julie also reached out to the county to get information regarding the acquisition of rubber stamp signatures. They responded with who they use as a vendor. Rubber signature stamps will be ordered this month.

k. Status update re: Outlook email notifications to Board members personal cell phones.

Julie Mattila advised that it is possible to do this but reminded the board re: Open Meeting Law ramifications of having FLFD business information on their personal cell phones. It was stated that if any Board member would like to receive their FLFD email on their cell phone Julie would contact Smart Systems, our IT provider, and have it made possible. It remains a personal choice.

l. Status update re: Annual Audit.

Chief Rodriguez reported that Kay Green is scheduled to next month's Board meeting. If she cannot be present, she will call in so that she can report out on our annual audit report.

m. Discussion and possible action re: Board approval of cooperative services exploratory committee charter.

This item was put on hold.

n. Discussion re: 2022 STRAP update publication.

Chairman Hennessey went over assignments for the 2022 STRAP Update publication.



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o. Discussion re: AFDA Conference (all)

Relevant discussion points:

- Overall impression – favorable, better than last year in Tucson.
- Venue – was good, but there was no business center.
- CA time zone caused some confusion.
- Statutory training availability
 - 6 Hours mandatory first year.
- Summer Session in Glendale?
- \$3.75 Mil Rate in FY24/25?
- Legislature represents the urban population.
- No tax bills will be introduced, must use appropriations-based funding.
- New fire chief must comply with statutory training requirements.

9 Fire Chief's Report.

Chief Rodriquez reported as follows:

- Snow total of 4 feet for this storm.
- The county has done a great job maintaining the roads and making sure the emergency vehicles are able to access every part of the subdivision.
- Not much activity on the highway, only one means of transport.
- Staffing has been good; crew members are doing well.
- Chief hopes to do a power point presentation next month on the Woods Canyon Lake drowning.
- There was a question regarding how much snow we have gotten and Chief will research.

10 Call to the Public/Audience Comments. There were none.

11 Fire Board Comments.

- Chairman Hennessey responded he thought the meeting has gone well. It is difficult to hold a meeting telephonically but things were kept on track.
- We need to pursue Zoom meeting capability with Smart Systems.
 - Julie Mattila took an action to check into this.
- Member Torres commented on how well things went considering how difficult it is holding a meeting telephonically and wanted to thank Chairman Hennessey and Chief Rodriquez on preparation and details of the DW Tower issue.
- Comments were made regarding the professionalism of our team and what a great group of we have.

12 There being no further business before the board, the meeting was adjourned at 11:30 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.



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Meeting minutes initially submitted by J. Mattila on January 25, 2023, amended January 30, 2023 to address format and content issues and amended February 12, 2023 to include the complete motion language for agenda items 8.a.i and 8.b.i.