



**FOREST LAKES FIRE BOARD
REGULAR SESSION MEETING MINUTES
NOVEMBER 19, 2022
DRAFT**



- 1 Call to Order. The meeting was called to order in the main equipment bay of the fire station by Chairman Tom Cummiskey at 10:06 am.
- 2 Pledge of Allegiance. Chairman Cummiskey led the gathering in the pledge of allegiance.
- 3 Roll Call of Fire Board Members. In addition to Chairman Cummiskey, Clerk John Hennessey, Treasurer Pete Batschelet, Member Dennis Massion and Member Israel Torres were in attendance at the fire station. Also in attendance were Chief Dave Rodriquez, Admin. Asst. Julie Mattila and newly elected but not yet seated board member Julie Swanson. Members of the public were Jan Cummiskey, Susie Bragg, and Dale Wilson, who left the meeting following the conclusion of agenda item 9a). For the record, we had a quorum of the board.
- 4 Chairman's Welcome and Activity Report. Chairman Cummiskey welcomed all to the meeting. He noted this will be his last meeting as Board Chairman as his term expires at the end of this month. We have some rather weighty topics on the agenda, and we will be having our third STRAP Update session following this meeting, and a short break for lunch.
- 5 Call to the Public/Audience Comments. There were none.
- 6 Review and Approve the Minutes for the October 15, 2022, Regular Board Meeting. Member Massion made a motion to approve the minutes as presented. Treasurer Batschelet seconded, and the motion passed unanimously.
- 7 Review and Approve the Minutes for the November 15, 2022, Special Board Meeting. Treasurer Batschelet made a motion to approve the minutes as presented. Member Massion seconded, and the motion passed unanimously.
- 8 Review and Approve the Financial Statements for October 2022. Treasurer Batschelet reviewed the General Fund financial report for the previous month and provided a brief summary report. We are 33.3% throughout the year. In relation to our published Not-To-Exceed (NTE) budget, YTD revenue is at 32.1% while YTD expenses are at 38.6%. The end of the month cash balance was \$375,116.63. The projected year-end cash balance is \$415,322.63. Expenses are higher than projected due to unexpected repairs and the impact of inflation, but tax revenues are higher as we exit the tax trough. There are some adjustments that need to be made on how accounts 5056 and 5057 are handled. It is anticipated when these adjustments are made, either directly in QuickBooks or in consultation with Angela Bertram to directly adjust the payroll file, the resulting adjustment will be on the order of -\$23K. Due to this and other issues, the year-ending cash balance may be reduced by about \$41K, which is still quite acceptable, with the new projections to be reported next month. 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: DW Towers Cell Tower Sale. For the record, Dale Wilson is the owner of DW Towers. Note: for part of the discussion, he was asked to leave the meeting so the board could freely discuss the situation. He 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



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operates towers in various states, including Arizona. The sales agreement between DW Towers and SBA has been hampered by lack of access to FLFD’s attorney, who has expressed reluctance to be involved. As an alternative, Dale has offered to buy the property on which the tower resides. As a result of discussions between DW Towers and SBA, and Zion Bank, the lessor for the fire station property, which is collateral for the LPA for the fire station, we have been advised that there is an issue with Zion Bank’s interest in the proposed transaction related to an IRS provision in our contract with Zion related to the LPA for the fire station that may stand in the way of DW Towers and SBA transferring ownership of the tower. It became clear there are two issues: one related to the IRS tax issue, which FLFD has to address independent of the sale of the tower; and one related to the sale of the tower to SBA, for which FLFD has an interest in continuing the excellent relationship between FLFD and the tower owner/operator, who takes the lead in adding wireless carriers to the tower, thereby improving our revenue. Note: Dale stated he has been in contact with T-Mobile and AT&T, and he feels SBA may be better suited to bringing these discussions to a favorable resolution. Regarding the IRS tax issue, it is clear we do not understand the full implications of the problem. In summary:

- i) FLFD rejects the offer by DW Towers to buy the property on which the cell tower resides.
 - ii) FLFD must address the IRS issue, post haste, irrespective of the cell tower transfer of ownership.
 - iii) Once the IRS issue is resolved, meet with our attorney to decide how to address DW Tower’s request to meet with our attorney and SBA’s attorney to help facilitate the proposed sale.
 - iv) DW Towers/SBA to provide documentation that supports SBA as a good prospective partner and that the positive relationship that exists between us and DW Towers will continue.
 - v) It was agreed there will be no prejudicial impact to DW Towers if the preceding steps are completed in 90 days.
- b) Status update re: Finance Committee meeting. Treasurer Batschelet provided a brief summary of the Finance Committee meeting held October 31st. In addition to Pete, Tom Cummiskey, Julie Swanson, and John Hennessey were present, with Chief Rodriguez and Julie Mattila attending telephonically. Major issues addressed included inflation factors (6% for the first two years of the five-year budget projection window, 5% for years 3 and 4, and 3% thereafter.) We made adjustments to salaries and moved funds from one account to another, based on prior year actuals and current year run rates, resulting in a balanced budget at that time. The resulting spreadsheet is the basis for today’s STRAP Session 3 discussion, during which further adjustments will be made. We also discussed the T1211 issue with DB Trucks and changes to our Procurement Specification 0018, with the expectation the revised spec would be presented for approval at today’s board meeting.
- c) Discussion and possible action re: Water Tender Activities and Next Steps. Chairman Cummiskey had previously circulated a letter to Chief Rodriguez and associated memo to DB Trucks from our attorney that were the culmination of negotiations with DB Trucks to resolve the dispute. (See attached.)



Chief ltr 11.18.22.pdf DBTrucks response
ltr re Water Tender (1)

Upon further review, the board agreed the response to DB Trucks was acceptable with the following changes. First, in paragraph 2, section 2, where it reads “this vehicle to quality...”, change quality to qualify. Second, in paragraph 3, in the sentence that starts “For example”, where it reads “fire hose brackets”, please change those words to read “fire hose National Standard Threads”. Finally, the will of the Board was to remove the words “The District is done playing games.” And just start that paragraph with the following words beginning with “This proposal is not only....”. There were no other changes than those three. The board approved Tom communicating as such to our attorney to make those changes at their earliest opportunity and get the letter sent off to DB Trucks.

- d) Status update re: Annual Audit Status. Chief reported the audit is going well, with no findings. Kay Green is scheduled to present the audit report to the board in the normal time frame.



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- e) Status update re: Grant activities. Chief reported John Nelson is wrapping up the current Hazardous Fuel Grant activities in preparation for beginning the new grant in January. John will present a report to the board at next month's meeting.
- f) Status update re: Governmental Advocacy Committee. Committee Chairman Torres provided a summary of the election results, Prop 310 results, interaction with AFDA, the political climate, ... Significant discussion points:
 - i) Prop 310 lost by a small margin. It was put on the ballot because the legislature would not act, taking the "leave it up to voters" approach. There may be an opportunity to pursue a home rule/self-government approach with the new legislature, leading to possible Mil rate adjustments. We will need cooperation from AFDA. If we do not get it, we may have to go it alone. In the past we have been asked to stand down and not address this subject independently. We will pursue this further at the AFDA Conference. Israel and Chief took an action to develop our strategy with AFDA and our legislators and report back to the board at the next meeting.
 - ii) We have a Democratic governor and Republican legislature, although with narrow margins. There will be bi-partisan rancor. There is a budget surplus. We do not know Gov. Hobbs' approach to setting the budget. There are extreme elements on both the Democratic side and Republican side who will find it difficult to work together. The Democrats are strong on environmental issues, but we do not know their other priorities and how they feel about non-partisan issues like rural fire districts, home rule and Mil rates. Similar concerns exist on the Republican side.
 - iii) Our Senate representative is Wendy Rogers, our House representative is David Marshall. Israel has a relationship with David Cook, who supported Prop 310. He suggested meeting with our House Rep and David Cook before the legislative sessions start and try to get a bill initiated. He recommends we invite Representatives Marshall and Cook and Senator Rogers to a board meeting to get them familiar with FLFD and the issues we have and give them a tour of the area.
- g) Status update re: Master Planning Committee Activities. Chief reported the railroad ties are in place along the southern boundary. All that remains is to rebar them in place, so they do not shift. The Auxiliary shed is leaning somewhat and needs to be re-leveled.
- h) Discussion and possible action re: ODS Mileage Reimbursement/Average Price Check. Chief reported the avg price of regular gas in Maricopa County is in excess of \$4.00 per gallon. Per our agreement, the ODS rebate will be 62.5 cents per mile (one-way travel.)

Excerpt from 20220820 Board Meeting Minutes [With Updates](#)

- i) A tiered fuel surcharge will be implemented, effective immediately, for ODS travel only, based on the model data provided by Julie (see attached), using average fuel charges for Maricopa County, which will be set monthly at regular board meetings, and updated monthly, as follows:

Average Cost of Fuel per Gallon in Maricopa County	ODS Mileage Rebate, Cents per Mile, One Way Travel
\$4.00 and above	62.5
\$3.50 to \$3.99	50.0
\$3.00 to \$3.49	25
\$3.00 and below	0

- i) Discussion and possible action re: National Special Districts Coalition. It was agreed that membership with NSDC would be advantageous to FLFD, particularly for access to their grant database. Membership cost is expected to be on the order of \$250 annually. A motion was made by Member Massion to authorize Chief/Julie Mattila to pursue membership with NSDC if the cost does not exceed \$500. Member Torres seconded, and the motion passed unanimously.
- j) Discussion and possible action re: Policy 18 – Procurement. Policies, Procedures and Bylaws Chairman Massion reported he had circulated a draft of Procurement Policy 0018 whose intent is to strengthen the internal controls related to capital equipment purchases. There being no changes by the board or Chief, Member Massion made a motion to approve the draft as submitted (see file). Member Batschelet seconded, and the motion passed unanimously.



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9j_Procurement Policy
0018 Update Second

- k) Action re: Oaths of Office for new/ongoing board members. Chairman Cummiskey administered the Oaths of Office to Dennis Massion, Pete Batschelet and Julie Swanson who will take office on December 1, 2022. Their terms will expire November 30, 2026.
- 10 Fire Chief's Report. Chief reported our current Hazardous Fuels Grant will be closed out next month. R1211 suffered damage while returning from a call in the forest. The rear dual wheel assembly on the driver's side separated from the vehicle while traveling on a forest road. The cause of the separation was loose lug nuts, which eventually backed off completely. The unit is in for evaluation and repair.
- 11 Call to the Public/Audience Comments. There were none.
- 12 Fire Board Comments.
- a) As his parting message to the board and community, Chairman Cummiskey, whose term expires the end of the month, presented a look back at board achievements during the last 12 years, reflecting his period of service on the board, from 2010 to 2022:

**FOREST LAKES FIRE DISTRICT ACHIEVEMENTS
2010 THROUGH 2022**

- Built the new fire station
- Raised over \$400,000 in community donations to finance the station build
- Refurbished the annex as one of the many activities overseen by the newly formed Master Planning Committee
- Replaced all rolling stock, with the exception of the engine
- Provided several pay increases for the ODS and POC employees
- Re-energized the Pension Committee resulting in a change of administrator and improved returns to participants
- Joined the Arizona State Retirement System
- Upgraded financial systems, accuracy, and reporting to best-in-class levels
- Renewed relationship with the Auxiliary resulting in receiving more than \$180,000 in donations over 10 years compared to significantly lower donations previously
- Initiated new revenue sources such as cell tower, sheriff lease and increased ambulance rates to supplement restricted tax revenues
- Engaged aggressive grant writers to provide income for item such as the ambulance purchase, multiple FEMA equipment purchases and the Hazardous Fuels grants
- Took over operation and ownership of the Green Waste Site
- Updated dispatch services by replacing local dispatchers with the Coconino County Dispatch organization
- Established strong relationships with Coconino County leadership especially in the Treasurer's and Assessor's offices
- Established Governmental Advocacy Committee to enhance relationships with AFDA lobbying arm and local politicians
- Brought most policies current
- Installed Communications Specialist to improve outreach to our community along with new use of social media tools
- Improved relationships with the Forest Service, Game and Fish, County Sheriff, Heber Overgaard Fire District, and other mutual aid partners



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- Via improved leadership, overcame all opposition from the Community's Naysayer group
- Restored trust in the community towards the District, its leadership, and its operations.

Tom stated that even though these accomplishments happened during his tenure, this listing is not about him but about how well the boards worked together during this period. They did so by sharing the common purpose of serving the community, by being proactive, dedicated and assertive and by working together to get things done. Board membership is not a one day a month proposition. There is work to be done throughout the month. He encouraged the new board to continue the excellent work of this and prior boards.

Finally, Tom asked who had FLFD email on their phones. In response, he determined that Tom, Israel, and Dennis do have it and John, Pete and Dave do not. We are not sure about Julie S. and Julie M. He suggested that if the Board wants to be proactive and address issues in a timelier manner, all members should have FLFD emails on their phones and that Smart Systems can have it installed quickly and easily.

- b) Member Torres, speaking for the leadership team, offered Kudos to Tom. The district owes him a debt of gratitude. He provided the momentum to get things done.
 - c) Clerk Hennessey, on behalf of the leadership team, presented Tom with an Amazon gift card as a token of their appreciation.
 - d) Chief Rodriguez, on behalf of the fire district, then presented Tom with a fire helmet, signed by the members of the leadership team, along with a commemorative gun case.
- 13 Adjournment. There being no further business before the board, the meeting was adjourned at 11:54 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.