



**MEETING MINUTES
APRIL 22, 2017 REGULAR SESSION
FOREST LAKES FIRE DISTRICT BOARD**



- 1 The meeting was called to order in the main equipment bay of the fire station by Chairman John Nelson at 10:00 am.
- 2 Chairman Nelson led the assembly in the pledge of allegiance.
- 3 Roll Call of Fire Board Members. In addition to Chairman Nelson, Clerk Hennessey, Treasurer Cummiskey, Member Massion and Member Tolby were in attendance. For the record, Chief Rodriguez attended telephonically.
- 4 Chairman's Welcome and Activity Report. Chairman Nelson welcomed all in attendance, noting the increased attendance, indicative of the winter hiatus being over. At the request of Chairman Nelson, Chief Rodriguez reported on his recent health issues, which included elevated heart rate due to a-fib and upper respiratory problems due to pneumonia. He has some additional procedures he is scheduled to have to address the a-fib. Chairman Nelson had some brief remarks about discussions regarding transitioning from Frontier to Cellular One and our transition to Coco Dispatch. Frontier has been unresponsive to requests for information regarding an internet connection at Brookbank, whereas Cellular One has been very cooperative. We will be going with Cellular One for our new 911 service with Coco dispatch. Chief Rodriguez has the action to continue to coordinate with Flagstaff. There will be more to follow in agenda item 8g.
- 5 Call to the Public/Audience Comments. In response to a question by Citizen Rothwell, Chairman Nelson stated that during Chief's recent illness and hospital stay Assistant Chief Lee Barnes was the Acting Chief and will continue to be so during Chief's further recovery. Chief Rodriguez remains in close contact by telephone and e-Mail. Note: Chairman Nelson explained that he chose to respond to the question since he had intended to address the situation in his welcoming remarks. Otherwise, Open Meeting Laws do not allow board members to respond directly to calls to the public.
- 6 Review and Approve the Minutes for the March 18, 2017 Regular Board Meeting. Treasurer Cummiskey made a motion to approve the minutes as presented. Member Tolby seconded, and the motion passed unanimously.
- 7 Review and Approve the Financial Statements for March, 2017. Treasurer Cummiskey exhibited the General Fund financial reports for the previous month, and provided a brief summary report. We are 75% through the year. In relation to our published Not-To-Exceed (NTE) budget, YTD revenue is slightly unfavorable to budget at 66.66% (due to the normal gap in tax receipts) while YTD expenses are favorable to the budget at 66.66%. A more realistic assessment (with Enterprise Transfers and Contingency backed out) shows YTD revenues at 78.4% and YTD expenses at 72.3%. There were unusual expenditures for this period: payroll was above the run rate due to the occurrence of 3 pay periods for the month and the need to occasionally staff with an ODS PM versus a FF in order to maintain ALS + 1 coverage; and we experienced unusual maintenance costs (procured six new tires for AT1211.) The end of month cash balance was \$419,102, and the projected balance at the end of the fiscal year is \$406,781, with tax revenues expected to pick up over the next two months. Treasurer Cummiskey then presented a similar report on the Capital Fund. The month end balance was \$187,903, including \$2,805 in deposits for the month. Total revenues, from program inception to date, are about \$220,000. Monthly warrants were for anticipated expenditures. Treasurer Cummiskey made a motion to approve the financial reports as presented. Member Tolby seconded the motion and it 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



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- a) Review of draft 2017/2018 budget. Motion and possible action to approve publication of draft Not-To-Exceed (NTE) budget. By way of background, Treasurer Cummiskey stated the review this month is intended for the board. The public review will be next month. He gave an abbreviated review of the 2017-2018 proposed NTE operating budget and the 2018-2019 projected NTE budget. The baseline for both budget years was the recently published STRAP Five Year Plan, which had extensive reviews prior to publication. Both budgets are balanced, with expenditures equal to revenues. Due to the extensive reviews already conducted, attention for this session was focused on changes to the STRAP plan for the next two budget years resulting from Finance Committee meeting reviews over the last several months. Of note was an addition of \$5,000 for ODS FF payroll and \$10,000 for ODS PM payroll. The additional cost was offset by additional EMS revenues expected from our request for ambulance transport fee increases with DHS. These changes will provide Chief Rodriquez with additional staffing flexibility. It was noted that the additional \$2.50 per hour increase is already reflected in the STRAP baseline (see agenda item 8f also.) There was an additional \$50,000 transfer to mitigate perceived softness in grant income (\$40,000) and donations (\$10,000). If the grant income and donations materialize, there will be no need for the transfer. There was an expense line item adjustment of \$115,000 for the hazardous fuels management grant, with a corresponding revenue amount. Treasurer Cummiskey stated, for the record, our minimum cash balance target is \$175,000, and we are comfortably above that limit (projected minimum is \$264,000.) We also have a contingency budget line item to help manage unforeseen expenses. In order to provide a more complete financial picture, Treasurer Cummiskey reviewed the capital fund for the new fire station:

(1) Revenues	
(a) Donations-Legacy	\$300,000
(b) Grant Income	\$40,000
(c) LPA Proceeds	\$600,000
(d) Donations-Other	\$10,000
(e) Transfers	\$100,000
(f) Total	\$1,050,000
(2) Expenses	
(a) Construction Costs	\$800,000
(b) Soft Costs	\$190,000
(c) Contingency	\$60,000
(d) Total	\$1,050,000

As the final point, Treasurer Cummiskey reviewed the debt service associated with the LPA for the new station and stated that the full detailed spreadsheets can be requested from Roxie for those so inclined to further study the details. Treasurer Cummiskey made a motion to post the budget as presented. The motion was seconded by Member Tolby and passed unanimously. Note: the posted budget will be available on the web site.

- b) Status update re: Building Committee activities. Building Committee Chairman Hennessey presented the following summary:
- i) Updated status on Detention Pond Waiver from the county. Because of the county's drainage plan, we are tasked with handling excess water from Old Rim Road and the county yard. We are getting mixed signals from the county--Engineering specialist agrees with need for a waiver for a detention pond, Administrative side does not concur. We will submit a waiver request, but in the meantime we are planning for a detention pond on the north side of the property. That will allow us to proceed with our grading and drainage plan and keep us on track for the overall schedule.
 - ii) Building shifted 30 feet to the south: facilitates surface water drainage; bay space apron centered between existing utility pole and fire hydrant; Lot 299 now encumbered (approximately 30 feet of the 120-foot frontage); reduced cut and fill; and finished floor elevation (FFE) is 7529.5 ft.
 - iii) Phased building approach being considered. Add-alt for admin wing.
 - iv) Building will be concrete masonry units (Split Face Masonry--Painted)
 - v) Bay space will have a shed roof design to facilitate winter operations.



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- vi) Septic system. County inspection completed, and an alternate system (aerobic with subsurface drip leach field) is required. Design will be completed by 5/5/17. Expect approval to construct no later than 6/15/17. Will plan to have the new system constructed and operational by July 1st. Will service both old and new stations.
- vii) Schedule. Ground breaking, early July. Building closed in, early November. Certificate of Occupancy (COO), early January 2018.
- viii) Funding and cost picture. Will be covered in Treasurer Cummiskey's Legacy report (agenda item 8d.)
- ix) Cost picture is tight to our original forecast. Significant contribution from resident Glenn Hottman of G&G Masonry.
- x) Team making good progress overall.
- xi) Next meeting May 5th, 10:00 am, FLFD Fire Station.
- xii) Town Hall, June 10th –primary intent will be to address the new building program.
- xiii) Open House, June 24th. Building Committee will have a presence at that event.
- c) Motion and possible action re: approval of resolution to authorize a Lease Purchase Agreement (LPA) with Zion Bank in the amount of \$600,000. Treasurer Cummiskey provided an overview of the documents provided by Zion Bank that will allow FLFD to enter into an LPA with Zion Bank in the amount of \$600,000. The documents had previously been distributed to the board for review. Treasurer Cummiskey stated that he had reviewed the documents in detail and they are in standard LPA format, with no surprises. They will allow us to essentially take out a construction loan and make draws against that loan as the building effort progresses. The LPA is for a very favorable 3.07% interest rate for the first 10 years, at which time the rate will reset, with a 5% cap. We are awaiting legal review by our attorney. Appendix A of the LPA contains the repayment schedule. Appendix C contains the resolution language, which was reviewed in detail. Treasurer Cummiskey made a motion to approve the resolution language as presented. Member Tolby seconded, and the motion passed unanimously. Note: subject to legal review, Chairman Nelson, Clerk Hennessey and Chief Rodriquez are authorized to sign the resolution for the fire district.
- d) Status update re: Finance Committee activities, including Legacy Committee community based fund raising efforts and grant activities. Treasurer Cummiskey reported both committees have been very active, the Finance Committee with the budget template and presentation for today's meeting and Legacy, which is starting up again following the winter hiatus. The Finance Committee will prepare the public budget presentation for next month. The Legacy Committee will be sending out letters to some forty new homeowners, to be followed by letters to businesses who support Forest Lakes and a Memorial Day mailing to all residents. We will continue to communicate progress via the e-Mail Blast. Tom thanked Judy Nelson for her recent posting that announced new contributors since December 1st. Legacy activities will wrap up by December 31st. The overall target remains at \$300,000.
- e) Discussion re: recent and projected staffing shortfalls, impacts on service delivery, backup plans. Chief Rodriquez reported we have experienced staffing shortfalls recently. There have been times when we have had one On Duty Staff (ODS) PM supplemented with one Paid On Call (POC) EMT. Part of this can be attributed to the time of the year, the need for ODS to travel to Forest Lakes and the fact that our ODS members have been able to find employment elsewhere. We continue to aggressively recruit ODS personnel. With the retirements of John McKeever and Grant Cooper, we are down to two active POC personnel. We will have a new POC First Responder (FR) starting in the next month or so.
- f) Motion and possible action re: revisions to Pay Scale, Policy 0021. Chief Rodriquez reviewed a draft of the revision to the subject policy, which describes the pay for all personnel and which requires, by statute, board approval to implement. By way of background, Chief stated the policy has remained unchanged for the last 8 years. When implemented initially, ODS pay was at the middle of fire districts on the mountain top. We are now at the lower end of the pay scale for ODS. Chief has requested a pay rate increase of \$2.50 per hour for ODS PM and FF, which has been incorporated into the proposed budget for next year. The increased costs will be partially offset by expected increases in ambulance transport fees. In response to a question from the board, Chief Rodriquez stated that in the event of staffing shortfalls we rely on Mutual Aid support from neighboring districts. Chairman Nelson clarified that Roxie's position is Salaried, Exempt. Member Massion asked that we revisit POC compensation in the future. In response to



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a question about raising POC compensation, Chief Rodriguez stated that he had reviewed the proposed compensation changes for ODS with the POC personnel and they were in agreement with the changes. Treasurer Cummiskey made a motion to approve the draft Pay Policy 0021 as presented. Member Tolby seconded, and the motion passed unanimously. Note: In response to a public comment that we treat POC like ODS, Chairman Nelson took an action to revisit our double pay policy.

- g)** Status update on transition of dispatch services to Flagstaff. Chief Rodriguez reported all systems are go for having the system up and running in July, which will be preceded by a live test run in June. Purchase of needed equipment is proceeding, as is the conversion of communication infrastructure. We will be converting to Cellular ONE in lieu of Frontier Communications for internet connectivity. Work continues with the city of Flagstaff on the IGA. Chief stated, for the record, that we are no longer able to adequately staff the dispatch function internally.
- h)** Status update re: Grant activities. Chairman Nelson reported there is no update on the FEMA grant for air bottles, and none is expected for several months. Chief Rodriguez reported that Susie Bragg continues her efforts to coordinate the \$140,000 Hazardous Fuels Grant application.
- 9 Fire Chief's Report. Chief Rodriguez reported that he continues to work with our consultant and DHS to seek approval of our request for ambulance transport fee rate increases. The fee structure is highly regulated. There will be a meeting in the next month or so to continue the process. Chief reported we will be under a fire watch tomorrow due to high winds and dry conditions. In closing, Chief stated he is really excited about the progress on the new fire station. When completed, it will be a significant accomplishment for the district.
- 10 Call To The Public/Audience Comments. Citizen Studer stated that, as the Chairman of the POC Citizen's Committee to Improve POC Participation, while it was agreed that compensation was not a big driver to POC participation, the committee did recommend an increase, and that, to his knowledge, that recommendation was not acted on. The increase was intended to recognize the dedication and commitment demonstrated by the POC community. In response to a question by Citizen Rothwell as to when the contract for the Green Waste Site (GWS) expires, FLOA President Judy Nelson stated the current contract expires December 31st of this year. FLOA will be working with the Black Mesa Ranger District on an extension. There is a potential problem in that no new permits are being issued, but our site may be grandfathered. For the record, FLOA contracts the operation of the GWS to the fire district. In response to a question about the prescribed burn currently underway, Deputy McKeever stated that the fire is under control, is intended to encompass about 2,000 acres, and is generating a lot of smoke in Forest Lakes even though it is a long way off and not a threat to the community.
- 11 Fire Board Comments. Chairman Nelson stated that as part of computer systems upgrade a few years ago the board authorized Chief to procure a laptop computer so he can remain in touch via e-Mail and have access to all his files when he is not in the station. He recommended that Chief and Roxie act on this authorization. No board action is required as the expenditure would not exceed our capital expenditure threshold. Treasurer Cummiskey reminded everyone there is a non-Capital budget line item that can be used for such expenditures. Member Tolby acknowledged the leadership of Treasurer Cummiskey in managing the overall district finances, and in particular, for handling the building finances in a responsible manner.
- 12 There being no further business before the board the meeting was adjourned at 11:14 am.