

HIGHLANDS FIRE DISTRICT BOARD OF DIRECTORS
MINUTES
June 16, 2015

The regular meeting of the Highlands Fire District Board of Directors was held on Tuesday, June 16, 2015 at Station 21, 2838 Kona Trail, Flagstaff, Arizona.

CALL TO ORDER. The meeting was called to order at 5:00 PM.

PLEDGE OF ALLEGIANCE, INVOCATION, MISSION AND VISION STATEMENTS, AND BOARD RESPONSIBILITY. The Pledge of Allegiance was recited, a silent invocation was offered, and the District's Mission and Vision Statement were stated. The Board recited four Board responsibilities from list provided them.

ROLL CALL. Chairperson Peter Kloeber, Clerk Jan Hirsch, Director Bill Murphy, and Director Robyn Martin were present. Director Brad Bippus was absent.

Present from Administrative staff were Chief Dirch Foreman, Battalion Chief Todd Miller, Ms. Jayme Jones and Mrs. Robyn Wilson.

WELCOME VISITORS. Chairperson Kloeber welcomed Scott Walton, Regional Training Coordinator, to the meeting. Mr. Walton thanked the Board for the opportunity to introduce himself. He provided the Board with a brief bio including his experience with FFD and Coconino County Community College. He informed the Board that his official position title is the Greater Flagstaff Area Regional Training Coordinator. The regional partnership includes Flagstaff, Highlands, Summit, Ponderosa, and Camp Navajo, and he will report to the fire chiefs of each agency. Input from the agencies resulted in identifying three areas of concentration: 1) common apparatus designation for dispatch, 2) common procedures and operations, and 3) common training. A short term goal is to identify training coordinators from each agency to help disseminate information. Flagstaff HR has agreed to open available training to members of the partnership at no charge, and a training calendar has been established online for everyone to access. Mr. Walton's personal goals and challenges include improving the mutual aid system, so that agencies can work together to meet the increasing demands. Chairperson Kloeber asked about the location of Mr. Walton's office. Mr. Walton replied that he works out of the Flagstaff Training Facility by the Wildcat Hill Wastewater Treatment Plant. Chairperson Kloeber asked how to access information about Chalk Talk Training. Mr. Walton told him that he sends information to each Training Coordinator, and they pass on the information to others.

APPROVAL OF THE MINUTES.

MAY 19, 2015 REGULAR MEETING. The Board reviewed the minutes of the May 19, 2015 regular meeting. A MOTION was made by Director Martin and was seconded by Clerk Hirsch to accept the minutes as presented; the motion was unanimously APPROVED.

MAY 22, 2015 EMERGENCY MEETING. The Board reviewed the minutes of the May 22, 2015 emergency meeting. Chairperson Kloeber reminded the Board that the meeting was called to appoint a Board member to negotiate the sale of the warehouse property. A MOTION was made by Director Martin and seconded by Director Murphy to accept the minutes as presented; the motion was unanimously APPROVED. Chairperson Kloeber commented that in the future, two board members should be authorized to negotiate property sales.

FINANCE.

APPROVAL OF WARRANTS. The Board reviewed the HFD & Bear Jaw warrants issued in May. After questions, a MOTION was made by Director Murphy and was seconded by Clerk Hirsch to approve the warrants as presented; the motion was unanimously APPROVED.

FINANCIAL REPORT. The Board reviewed the monthly HFD and Bear Jaw financial reports, including the Profit/Loss Budget Overview, Bank Reconciliation, County Fund Balance Summary, and Cash Flow Projection Reports. Chief Foreman informed the Board that most of the accounts conform to the budget and many are under spent.

REPORTS & CORRESPONDENCE.

LOCAL CHAPTER 1505. Captain Katrales reported that they are preparing to have elections for Vice President. Firefighter Giannola was recently elected as Trustee, and Captain Katrales will continue to serve as the Secretary Treasurer/Trustee. Captain Katrales informed the Board that the Pancake Breakfast is on July 5, and he invited Board members to help serving. Staff will also be participating in the 4th of July Celebration and Firewise Day in Forest Highlands. There will also be a summer picnic sponsored by the Chapter in August.

BATTALION CHIEF'S REPORT. Chief Miller presented the Battalion Chiefs' Individual Activity, Incidents, and Training reports for May. There were 51 calls for service in May.

FIRE CHIEF'S REPORT. Chief Foreman presented the Fire Chief's Report for May. Chief Foreman noted that Bear Jaw purchased two Crew Carriers, and they are available for assignment. In addition, he informed the Board that he is meeting with the Forest Highlands General Manager on Friday.

FIRE BORAD CHAIRPERSON'S REPORT. Chairperson Kloeber commended management and staff for their work on the budget.

CORRESPONDENCE. There was no correspondence presented.

TOPICS OF DISCUSSION AND POSSIBLE ACTION.

- A. *PUBLIC HEARING OF FY 2016 BUDGET; CONSIDERATION TO APPROVE FY 2016 BUDGET.* Ms. Wilson presented a summary of the FY 2016 Budget. There were no members of the public present. Chairperson Kloeber requested a motion to approve the FY 2016 Budgets. A MOTION

was by Director Martin and was seconded by Director Murphy to approve the FY 2016 Budget for the Highlands Fire District and Bear Jaw; the motion was unanimously APPROVED. Again Chairperson Kloeber commented that the work on the budget is very commendable. Ms. Wilson requested the Board certify approval of the budgets by signing budget documents, and the budgets were signed appropriately.

B. BUSINESS ASSOCIATED WITH FLAGSTAFF RANCH FIRE DISTRICT (FRFD).

- a. *CONTACT FOR SERVICE IGA WITH FRFD.* Chairperson Kloeber informed the Board if the Board intends to discontinue the service contract with FRFD, notice must be provided a year prior to the commencement of the effective date of service. A MOTION was made by Director Martin and was seconded by Clerk Hirsch to continue our service with Flagstaff Ranch per the IGA for the seconded optional year; the motion was unanimously APPROVED.
- b. *DISCUSSION REGARDING POTENTIAL MERGER OR CONSOLIDATION WITH FRFD.* Chairperson Kloeber provided information to the Board regarding Mergers and Consolidations. There have been legislative changes since our merger with Pine Del FD. There is an additional requirement to mail the resolution and notice of public hearing to each taxable property. In addition, an election may be necessary as well.

Chief Foreman commented that he would like to continue to looking at the feasibility of a merger or consolidation with FRFD; however, it is imperative that any action pursued is not to the detriment of the existing fire district. In addition, there may be additional options to consider including automatic aid agreements, joint staffing, and/or joint construction of a fire station. There are several questions regarding the NAV that must be addressed as well.

Chairperson Kloeber informed the Board that he and Chief Foreman attended a FRFD Board meeting. He believes that if FRFD was to request consolidation, it would be very difficult to move forward without giving consideration to staffing a station in the immediate area. It is also apparent that there may not be enough revenue to sustain an operational station there. Chairperson Kloeber believes that we should not move too far forward until FRFD makes a formal request to merge or consolidate. The difference in the two annexation processes is the resulting composition of the Fire Board. The Board discussed potential options for a station location. Director Murphy commented that if FRFD's tax base is not adequate to fund a station and personnel cost, it may be more prudent to continue providing a contract for service.

- c. *DISCUSSION REGARDING TRANSFER OF BRUSH TRUCK FROM FRFD TO HFD (moved from Agenda Item 9(G)).* Chief Foreman informed the Board that FRFD has divested most of their fire equipment to HFD, including a 2002 GMC Type 6 Engine. It was noted that the cost to the district is maintenance and insurance. A MOTION was made by Director Murphy and was seconded by Clerk Hirsch to accept the transfer of the Brush Truck from FRFD to HFD as long as it meets all legal requirements; the motion was unanimously APPROVED.
- d. *UPDATE REGARDING CONFLICT WAIVER PROVISION FOR LEGAL REPRESENTATION BY MR. TIM MCNEEL, DEPUTY COUNTY ATTORNEY (moved from Agenda Item 9(B)(c)).* Chief Foreman

informed the Board that Mr. McNeel does not believe we need to add a conflict clause to the existing agreement until the time of a new written agreement.

- C. *CONSIDERATION TO APPROVE RESOLUTION RESULTING IN BOUNDARY CHANGE TO INCLUDE PARCEL #116-08-007K IN THE HFD.* Chief Foreman informed the Board that Mr. Hall has requested we include another of the properties within the Hall DP Irrevocable Living Trust into HFD. **A MOTION was made by Clerk Hirsch and was seconded by Director Murphy to accept the annexation of parcel # 116-08-007K into the Highlands Fire District;** the motion was unanimously APPROVED.
- D. UPDATE, DISCUSSION, AND RATIFICATION CONCERNING THE SALE OF THE WAREHOUSE AT 2386 TOLANI TRAIL. Chairperson Kloeber informed the Board that the District received a very quick offer on the property for sale for \$65,000 (contingent upon the availability of appropriate use permits). He countered the offer at \$80,000, and the buyer offered \$75,000. The offer was accepted with no contingency, and sale is scheduled to close on June 19.
- E. BUSINESS ASSOCIATED WITH VOLUNTEER PENSION TERMINATION PROJECT.
- a. *VOLUNTEER PENSION PROJECT STATUS AND BRIEF HISTORY REPORT.* Chief Foreman informed the Board that he had terminated Mr. Tom Rogers due to the mounting expense and poor progress coming to a conclusion. There seemed to be no end to the relentless request for additional documentation. Chief Foreman explained that in his last conversation with Mr. Rogers, our questions were answered appropriately to justify terminating the Volunteer Pension Plan. Director Hirsch asked, "Can we be done with this now?" Chief Foreman replied that the last step is to get approval by the Board to terminate the plan.

Ms. Jones presented a Staff Briefing providing the Board with a summary of historical account of the Volunteer Pension Plans. She pointed out that Mr. Rogers stated that it is doubtful that there are many, if any, volunteers who have seen a diminution in their benefits, which is the District's only apparent liability with terminating the plan. Ms. Jones informed the Board that all fund balances of the volunteer accounts have been distribution or transferred to 457 Plans. The remaining funds are unassigned and sit in a suspense account within the plan.

- b. *CONSIDERATION TO APPROVE TERMINATION OF THE HFD ALTERNATE PENSION & BENEFIT PROGRAM.* Chief Foreman recommended the Board approve the termination of the plan and allow the remaining funds to be applied to the legal costs. Chairperson Kloeber asked if the District has a potential for liability if the plan is terminated. Chief Foreman stated that the District does not. Chairperson Kloeber asked if Mr. Mc Neel, Deputy County Attorney, concurs. Ms. Jones replied that Mr. McNeel has been provided associated documentation; however, he has not commented. Chief Foreman reiterated that we are completely within our rights to terminate the plan. Chairperson Kloeber stated that he believes that our Attorney of Record should at least acknowledge the action to terminate. Chairperson Kloeber suggested approving the recommendation upon legal concurrence by our Attorney. Chief Foreman did not agree; he stated that the Board should approve the recommendation or table the issue.

A MOTION was made by Clerk Hirsch and was seconded by Director Martin to terminate the Highlands Fire District Alternate Pension and Benefit Plan; three Board members voted in favor. The motion PASSED by majority vote.

Director Murphy asked if the motion should be subject to consideration of our Attorney. Chairperson Kloeber stated that without some sort of comment from the Attorney of Record, he votes NO. Director Murphy asked if he could change his vote to NO. Chairperson Kloeber stated the motion does not pass.

Chairperson Kloeber commented that he would like confirmation from our Attorney that it is a prudent decision for this Board to terminate the plan. Director Martin asked how it benefits the District to make an immediate decision on this issue. Chief Foreman replied that a resolution prior to end of the fiscal year is preferred to avoid additional accounting fees. A MOTION was made by Director Murphy and was seconded by Director Martin to terminate the HFD Alternate Pension and Benefit Plan Program with the stipulation that our Attorney makes a recommendation that it is of prudent procedure; the motion is unanimously APPROVED. Chairperson Kloeber commented that the Board will do whatever they can to make sure Chief Foreman gets an answer before the end of the fiscal year.

- F. UPDATE REGARDING SURPLUS PROPERTY DISPOSAL. Chief Foreman provided the Board with an extensive report regarding the disposal of surplus property. Chairperson Kloeber commented it is a good report.
- G. REVIEW FIRE BOARD TASK CALENDAR. The Board reviewed the Board Task Calendar. Ms. Jones requested the Board produce an article for the summer newsletter; Chairperson Kloeber agreed.

ADJOURNMENT. The meeting adjourned at 6:34 PM.

Respectfully submitted,

Jayne Jones, Administrative Assistant III