

HIGHLANDS FIRE DISTRICT BOARD OF DIRECTORS
REGULAR MEETING MINUTES
October 18, 2016

The regular meeting of the Highlands Fire District Board of Directors was held on Tuesday, October 18, 2016 at Station 21, 2838 Kona Trail, Flagstaff, Arizona.

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

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

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

PLEDGE OF ALLEGIANCE, INVOCATON, MISSION AND VISION STATEMENTS, AND BOARD RESPONSIBILITIES. The Pledge of Allegiance was recited, a silent invocation was offered, and the District's Mission and Vision Statement were stated. The Board reviewed selected responsibilities.

WELCOME VISITORS. Chairperson Kloeber welcomed visitors Bryan Furuya, Deputy County Attorney and Mark Frost of HintonBurdick CPAs & Advisors.

CALL TO THE PUBLIC. Chairperson Kloeber made a call to the public; there were no comments.

APPROVAL OF THE MINUTES.

SEPTEMBER 20, 2016 REGULAR MEETING. The Board reviewed the minutes of the September 20, 2016 Regular Meeting Minutes. Director Martin stated that she did not second the adjournment motion as noted. A MOTION was made by Director Murphy and was seconded by Clerk Hirsch to approve the minutes as amended; the motion was unanimously APPROVED.

FINANCE.

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

FINANCIAL REPORT. The Board reviewed the monthly HFD and Bear Jaw financial reports, including the Bank Reconciliation Reports, Profit/Loss Budget Overviews, County's Fund Balance Summary Reports, and Cash Flow Projection. Chief Foreman assured the Board that payments are on schedule as expected. He also noted that accounts associated to wildland assignments are high as usual. Staff answered various financial questions.

AUDIT PRESENTATION FROM MARK FROST OF HINTON BURDICK CPAS & ADVISORS; REVIEW, RECEIVE, AND APPROVE FY 2016 HIGHLAND FIRE DISTRICT AUDIT RESOLUTION PER A.R.S. § 48-805.02.

The Board welcomed Mark Frost to the meeting, and he provided the Board with copies of the FY 2016 Audit. Mr. Frost stated that first and foremost, he presents clean opinion, and the financial position of the Fire District looks very strong. Mr. Frost stated that it is important for the Board to know it is of their opinion that the financial statements present fairly, in all material respects, the perspective financial position of the governmental activities and each major fund of Highlands Fire District, as of June 30, 2016.

Mr. Frost reviewed the summary of financial highlights. He pointed out that the District's net position increased by \$176,982. He noted that revenue from all sources was \$4.5 million, and the total cost of District programs was \$4.4 million. In regards to actual vs total budget, Mr. Frost suggested that Chief Foreman consider the projections of wildland revenues and expenses going forward as they have previously discussed. In addition, Mr. Frost reviewed the Statement of Net Position, Statement of Activities, and Balance Sheet, which are very favorable. Mr. Frost also assured the Board that the debit ratio of 1.67 is in compliance with the Wells Fargo lease agreement covenant.

Per A.R.S. § 48-805.02, HintonBurdick provided a letter to attest that the District is in compliance with requirements of the State. In addition, A MOTION was made by Director Martin and was seconded by Clerk Hirsch to approve and adopt a resolution to accept the annual audit for FY 2016. The motion was unanimously APPROVED. Mr. Frost thanked the Board for allowing HintonBurdick to prepare our Annual Audit once again. Chairperson Kloeber said that the Board enjoys receiving the positive report.

EXECUTIVE SESSION

DISCUSS PROCUREMENT AND CONTRACTING REQUIREMENT FOR THE CONSTRUCTION OF THE ADMINISTRATIVE CENTER PER A.R.S. § 38-431.03 (A)(3) *Discussion or consultation for legal advice with the attorney or attorneys of the public body.* A MOTION was made by Director Martin and was seconded by Director Murphy to adjourn to Executive Session to discuss procurement and contracting requirements for construction. The motion was unanimously APPROVED.

The Board adjourned to Executive Session at 5:40 PM and reconvened to Regular Session at 6:21 PM.

SUMMARY REPORTS & CORRESPONDENCE.

LOCAL CHAPTER 1505. There was no report presented.

BATTALION CHIEF'S REPORT. Chief Miller reviewed the Battalion Chief and Activity Report. Chief Miller noted that there were 60 calls for service in September.

FIRE CHIEF'S REPORT. Chief Foreman presented the Fire Chief's Report for September. He noted that cost recovery contract has been returned to Fire Recovery USA and has been fully executed, and the hiring of three firefighters will be completed next week.

FIRE BOARD CHAIRPERSON'S REPORT. Chairperson Kloeber had nothing to report.

CORRESPONDENCE. The Board reviewed a letter from SmartProcure, which withdraws their commercial request for public information.

TOPICS OF DISCUSSION AND POSSIBLE LEGAL ACTION.

- A. *DISCUSSION AND CONSIDERATION TO APPROVE PROCUREMENT PROCESS FOR THE CONSTRUCTION OF AN ADMINISTRATIVE CENTER AND GARAGE/S.* Chairperson Kloeber informed the public that the Board will follow the District Purchasing Guidelines and will pursue a competitive bid for the Administrative Center construction project. A MOTION was made by Director Martin and was seconded by Director Murphy to request the Chief to submit to [the Board] a simpler but still competitive bidding process for this particular construction project utilizing Purchasing Guideline A. and waiving part of our guidelines due to the expediency and financing issues. The motion was unanimously APPROVED.
- B. *CONSIDERTION TO APPROVE ACCEPTANCE FOF THE CERTIFICATION THAT FIRE RECOVERY USA IS NOT CURRRENTLY ENGAGED IN A BOYCOTT OF ISRAEL PER A.R.S. § 35-393.01(A).* Chairperson Kloeber informed the Board that legal counsel has provided a certification document for the Board's acceptance for compliance with State statute. A MOTION was made by Director Murphy and was seconded by Director Martin to approve the acceptance of the certification that Fire Recovery USA LLC is not currently engaged in a boycott of Israel. The motion was unanimously APPROVED.
- C. *DISCUSS POTENTIAL ADMINISTRATIVE SERVICE IGA WITH MORMON LAKE FIRE DISTRICT (MLFD).* Chief Foreman informed the Board the Administrative Assistant of MLFD resigned from her position, and MLFD may need assistance. Chief Foremen recommended the Board authorize him to enter into discussions with the Mormon Lake Fire District regarding an IGA for Management Services. Director Murphy would like us to ensure HFD administrative staff is not overburdened. Chairperson Kloeber asked if the situation is temporary; Chief Foreman did not know the extent of their need. After further discussion, a MOTION was made by Director Martin and was seconded by Clerk Hirsch to allow Chief Foreman to have discussions with MLFD management regarding a possible IGA. The motion was unanimously APPROVED.
- D. *REVIEW THE FIRE BOARD TASK CALENDAR.* The Board reviewed the Board Task Calendar.

BOARD COMMENTS. Chairperson Kloeber thanked the Board and staff for attending the very productive four hour session.

ADJOURNMENT. A MOTION was made by Director Murphy and was seconded by Clerk Hirsch to adjourn; the motion was unanimously APPROVED. The meeting adjourned at 5:58 PM.

Respectfully submitted by,

Jayne Jones
Administrative Assistant III