



HIGHLANDS FIRE DISTRICT
FIRE BOARD OF DIRECTORS
REGULAR MEETING MINUTES · 10/17/17

The regular meeting of the Fire Board of Directors was held on Tuesday, October 17, 2017 at Station 23, 3350 Old Munds Highway, Flagstaff, Arizona.

1. CALL TO ORDER. The meeting was called to order at 5:00 PM.
2. ROLL CALL. Chairperson Peter Kloeber, Clerk Jan Hirsch, Director Bill Murphy, Director Brad Bippus, and Director Robyn Martin were present.

Administrative staff present included Chief Dirch Foreman, Battalion Chief Todd Miller, Ms. Jayme Jones, and Mrs. Robyn Wilson.

3. PLEDGE OF ALLEGIANCE, INVOCATION, 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 Statements were stated. In addition, the Board recited selected Board responsibilities required by statute.
4. WELCOME VISITORS. Chairperson Kloeber welcomed everyone.
5. CALL TO THE PUBLIC. Chairperson Kloeber dispensed with the call to the public.
6. APPROVAL OF THE MINUTES.
 - A. September 19, 2017 REGULAR MEETING MINUTES. The Board reviewed the September 19, 2017 regular meeting minutes. A MOTION was made by Director Martin and was seconded by Director Murphy to approve the minutes as presented; the motion was unanimously APPROVED.
7. FINANCE
 - A. APPROVAL OF WARRANTS. The Board reviewed the warrants and credit card purchases paid in September. A MOTION was made by Director Martin and was seconded by Director Murphy to accept the warrants as presented. After questions, the motion was unanimously APPROVED.
 - B. REVIEW FINANCIAL REPORTS. The Board reviewed HFD General Fund, Capital Fund, and Bear Jaw Financial Reports, including the Bank Reconciliation, Profit/Loss Budget Overviews, County's Fund Balance Summary, and Cash Flow Projection. Chief Foreman noted unplanned vehicle maintenance is high due to the transfer case repair in his pick-up.
 - C. COCONINO COUNTY INTEREST EARNING REPORT. The Board reviewed the Interest Earning Report.

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8. SUMMARY REPORTS & CORRESPONDENCE.

- A. LOCAL CHAPTER 1505. Firefighter Gutierrez, Local 1505 Trustee, informed the Board that chapter officers will be attending a retreat, and they will discuss the GFR Academy. The Local participated in the Kurt Smith Memorial Golf Tournament. They are also sponsoring a FitKids event on October 28.
- B. BATTALION CHIEF'S REPORT. Chief Miller presented the Battalion Chief's Report including Individual Activity, Training, and Incidents in September. He noted that Chief True responded to a wildland assignment in Oregon, and there were two GFR training events. There were 54 calls for service.
- C. FIRE CHIEF'S REPORT. Chief Foreman presented the Fire Chief's Report; he noted that most of the items listed will be discussed later on the agenda.
- D. FIRE BOARD CHAIRPERSON'S REPORT.
- E. CORRESPONDENCE. There was no correspondence presented.

9. EXECUTIVE SESSION. Chairperson Kloeber informed the Board that an Executive Session will be considered when our Attorney arrives.

10. TOPICS OF DISCUSSION AND POSSIBLE ACTION.

- A. (AGENDA ITEM C.) CONSIDERATION TO APPROVE RESOLUTION TO SELL 2003 FORD F-550 UTILITY VEHICLE. A MOTION was made by Director Martin and was seconded Director Murphy to approve the resolution to sell the 2003 Ford F-550 as surplus property. Chief Foreman commented that the sale has been delayed somewhat, and no other method of disposal has been discovered; therefore, it should be auctioned as is. The motion was unanimously APPROVED.
- B. (AGENDA ITEM D.) TEN MONTH REVIEW OF ADMINISTRATIVE SERVICE IGA WITH MORMON LAKE FIRE DISTRICT AS REQUESTED BY THE FIRE BOARD ON DECEMBER 20, 2016. Chief Foreman informed the Board the District entered into a two year Administrative Service IGA with Mormon Lake Fire District last December; performed exclusively by Mrs. Wilson. She commits an average of eight hours per month, which has been of no detriment to HFD. Chief Foreman recommended continuing with the IGA at least through next year. Chairperson Kloeber informed the Board that a formal approval is not necessary because this is simply a review of an active agreement.

Brian Furuya, Coconino County Deputy Attorney, joined the meeting at 5:20 PM.

EXECUTIVE SESSION. CONSIDERATION TO ADJOURN TO EXECUTION PER A.R.S. § 38-431.03 (3) & (4) FOR THE PURPOSE OF DISCUSSION OR CONSULTATION OR LEGAL ADVISE WITH THE DISTRICT'S ATTORNEY REGARDING ENTERING INTO A DESIGN/BUILD CONTRACT WITH LOVEN CONTRACTING.

A MOTION was made by Director Murphy and was seconded by Director Martin to adjourn to Executive Session to consult legal counsel regarding the Design/Build Contract with Loven Contracting; the motion was unanimously APPROVED.

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The Board adjourned to Executive Session at 5:23 PM, and reconvened to regular session at 6:30 PM.

C. (AGENDA ITEM A.) CONSIDERATION TO APPROVE THE DESIGN/BUILD CONTRACT WITH LOVEN CONTRACTING TO CONSTRUCT ADMINISTRATIVE OFFICES, BEAR JAW FACILITY, AND APPARATUS BAYS. Chairperson Kloeber commented that the Board reviewed the contract, and provides the following direction:

- 1) In regards to “arbitration” selected on page 5, § 1.3; the Board would like for this to be changed to “litigation”.
- 2) In regards to “compensation for reimbursable expenses” on page 7, § 2.1.3.1 (2), strike “teleconferences, project web site and extranets”, and (4) strike “standard form documents”, and insert a “not to exceed amount”.
- 3) In regards to “warranty” on page 10, §3.1.12 and throughout the contract; the Board would like to negotiate an extended warranty.

A MOTION was made by Director Martin and was seconded by Director Murphy for Chief Foreman to go back to the contractor to request the desired changes as discussed. In addition, Chairperson Kloeber informed the Board that the signatory has been changed from the Fire Chief to the Board Chairperson as suggested by counsel. The motion was unanimously APPROVED.

Approval of the Design/Build contract was tabled until the details discussed are talked over with the contractor.

D. (AGENDA ITEM B.) REVIEW OF THE FINANCIAL AUDIT AS PRESENTED BY HINTON BURDICK CPAS; CONSIDERATION TO APPROVE RESOLUTION TO REVIEW AND RECEIVE THE AUDIT PER A.R.S. § 48-805.02. Chairperson Kloeber welcomed Mr. Mark Frost of Hinton Burdick CPAs. Mr. Frost provided an Executive Summary and Audit Financial Statement for FY 2017. Mr. Frost stated that he presents clean opinion, and a review of internal control over financial reporting and compliance found no material weakness or significant deficiencies.

Mr. Frost reviewed a summary of financial highlights. The Government Financial Performance Chart from FY 2013-17 showed very high Liabilities and Expenditures. He explained that a Government Accounting Standard requires them to show unfunded pension liability on the balance sheet, and as we are all aware, wildland reimbursable expenses are unpredictable. Mr. Frost pointed out that the District’s net position decreased \$479,361 (17%) primarily due to the significant pension liability.

After further review, Hinton Burdick provided a letter to attest that the District is in compliance with requirements of the State. A MOTION was made by Director Martin and was seconded by Clerk Hirsch to approve Resolution 2017-10-17(10)(B) to accept the annual audit for FY 2017 as presented. The motion was unanimously APPROVED.

Mr. Frost thanked the Board for allowing them to provide the service. Chairperson Kloeber commented that the good report is a testament to staff’s commitment to budget development and program management year over year.

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- E. REVIEW COMMUNITY SURVEY RESULTS. Chairperson Kloeber pointed out that 84% of the respondents said that the service exceeds their expectations, and the Board appreciates what our customers are telling us about the service. The Board reviewed respondent's comments.

- F. REVIEW *FIRE BOARD TASK CALENDAR*; IDENTIFY POTENTIAL ITEMS FOR NEXT MONTH'S AGENDA. Chairperson Kloeber asked the Board if they would prefer to meet in the week prior to Thanksgiving on November 14th; the Board agreed. In addition, he noted that there is a Strategic Planning Meeting scheduled next on October 24th.

10. BOARD MEMBER COMMENTS. There were no additional comments.

11. ADJOURNMENT. A MOTION was made by Director Martin and was seconded by Clerk Hirsch to adjourn; the motion was unanimously APPROVED. The meeting adjourned at 7:15 PM.

Respectfully submitted,

Jayne Jones
Administrative Assistant III