

**APPROVED MINUTES OF A REGULAR MEETING OF THE MESCAL-J6 FIRE DISTRICT
HELD ON Wednesday, April 27, 2016**

Meeting was called to order at 18:30 by Board Chair, Mr. Mark Lee. Present at roll call were Board Members, Mark Lee, Mary Bowen, Dan Simmons, Jerry Conrad, and Sue Dupee. A quorum existed.

Item 1: Minutes: Minutes from the Regular Board Meeting held on March 7, 2016 and the minutes from the April 4, 2016, were presented. Mr. Simmons made a motion to accept the March 7, 2016 minutes as written. Mrs. Bowen seconded the motion, which carried 5-0. The minutes from the April 4, 2016 Regular Board Meeting were reviewed. Mr. Simmons made a motion to approve the April 4, 2016 minutes with the two corrections; one, correcting the date of the meeting to April 4, 2016, second, the time meeting was adjourned to 18:31. Mrs. Bowen seconded the motion which carried 5-0.

Item 2: Financial Summary: Chief Moran gave an overview of the District's overall financial situation.

- To date the District has received 70.1 percent of its tax revenue and 56.5 percent of our billing for services.
- Current payroll expense is at 82.4 percent and the District is 83 percent through the fiscal year. Chief stated that even though there were some months where payroll was over budget, it has evened out to be on budget as predicted.
- Fuel expense is at 42 percent of budget thus far; building maintenance is at 26 percent; equipment is at 20 percent; vehicle maintenance and repair is at 53 percent; external services (bookkeeping, physicals, etc.) is at 71 percent; utilities are at 64 percent; travel and education are at 33 percent; web based subscriptions are at 81 percent.

Mrs. Bowen said that as of 2:00 pm on Wednesday, April 27, 2016, the balance for all District accounts was: \$143,4432.70. Chief Moran mentioned that the District still has about \$80,000 in tax revenue to be collected.

Item 3: Financial Report: Chief Moran explained that the District's CPA has been actively involved in the effort of reviewing the District's finances. Mr. Ohlhauser's team has prepared, amended, and or corrected HB 2572s from July 2015 to the present. Along with the HB2572s, all of the documentation supporting the facts and figures. Chief said that each month will need to have signed Certificates of Compliance.

As a side note, during the discussion about the revised and new documentation under review, Mr. Simmons asked whether the District has been given the listing of errors/problems discovered during the District's annual review. Chief Moran said that the District has not received a report with actual errors/problems, although he has attempted to obtain the report several times. He noted that the payment for the review is still being held until the District receives the report. There was an active discussion about possible firms to conduct the review for the next year, since there has been a level of dissatisfaction with the firm conducting this year's review.

Mrs. Bowen made a motion to accept and approve the new affidavits from July 2015 – March 2016. Mrs. Dupee seconded the motion. Before voting on the motion, Mr. Lee explained that Mr. Curtis Ohlhauser is a Certified Public Accountant, having been educated and licensed to practice accounting in the State of Arizona, and in a court of law his testimony would be considered expert. Mr. Lee believes that his opinion and testimony overrides any concerns of any private citizen or organization. Chief Moran distributed a letter, to the Board, from Mr. Ohlhauser stating that his office performed a

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review of all District financials from July 2015 to the present, and that it is his professional opinion that the accounting records and reports are currently properly prepared and that the statements reflect correct, current balances and represent a true and accurate picture of the District's financial status.

Mr. Lee conducted a vote of the above mentioned motion made by Mrs. Bowen and seconded by Mrs. Dupee. The motion carried with a 5-0 vote.

Mr. Lee notified the Board that Chief Moran had a few comments.

- There were 32 incidents during the month of April, including 10 EMS and 8 MVA. Also it was mentioned that paving has been delayed on our section of the freeway due to chilly weather. Chief mentioned that ADOT has stepped up its effort in communicating closures, etc. to the District.
- Training has been mostly centered on wildland preparedness. Firefighter Brown conducted a wildland safety training, and the District sent some individuals to Basic Wildland Training, and completed the yearly PAK Test. Chief mentioned that there are two FFs who are unavailable so there is no one available to take the District's water tender out of District.
- HCI used the community meeting room here on April 9, to conduct EMS training.
- Brush 171 has been in the shop a few times, for pump repairs, and the apparatus is now having clutch issues. Chief explained that the transmission was replaced in 2007 but is having issues again. Chief said that it is difficult to drive and he fears the truck may require another new transmission soon. MJFD personnel have been working on C17 to repair the bumper and headlight. Chief also notified the Board that Mr. Owen Kiley made repairs to Tender 173 for which he only charged for parts, and donated 5-hours of labor to the District. This got the Tender ready for wildland season.
- Building Maintenance: Admin's copier needs repair, with repairman coming Friday; the District is taking bids for painting the administration building on Oak along with establishing handicapped accessible entrance on the front of the building.
- Billing collections is still underway with no new revenue to report.
- Cochise County crime data is now available online at www.raidsonline.com
- Chief reported that City of South Tucson Fire Chief Alvarez has passed away. The District sent personnel and Rescue 171 to his funeral on Monday April 18, 2016.
- The AFDA Summer Conference takes place July 11 – July 14, 2016 in Tucson.
- Mr. Simmons and Mrs. Dupee will both be up for reelection in November 2016, if they choose to run for re-election.
- The District received notices that two 941 tax forms from 2015 were not submitted. This has since been corrected and submitted.
- The District received an unexplained communication error recently. Dispatch determined that one of the two consoles that they use to page us out was experiencing issues. Sergeant Graff contacted their communications vendor, Creative Communications (CC), to investigate the failure. It was determined that the difference in elevation between J6 Ranch Road and Benson was a contributing factor but also that the direction antennae is not aligned to us as it

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should be. CC recommended upgrading the antennae there in the hope of harnessing additional power. The cost of replacing the directional antennae is comparable to “fix” the current one.

Cochise County has contacted the District and asked for a communications summary and inventory, which is in preparation for the County wide dispatch, which is at least a year away.

- The District’s Worker’s Compensation Insurance is expiring on July 1, 2016. Jones-Wilson notified Ms. Amy Stites that the agency does not underwrite for Fire Department Worker’s Compensation, but provided the name of an organization to contact for a quote.
- Pima Community College is graduating a Fire Academy on May 21, 2016, and they have agreed to allow Chief to attend the class on May 11, in the hope of recruiting some new personnel.
- Chief said that the District has received a number of complaints from the State Attorney General Office. These complaints have been forwarded to the District’s attorney, Ms. Lauri Owen. Ms. Owen was out of the office for a period of time, so an extension on the reply date is being sought.

Item 4: Monthly Governing Board Meeting Dates: Mr. Lee explained that he would like to propose changing the monthly meeting to the last Wednesday of the month. He verified that none of the Board Members had a conflict with the last Wednesday. It was also noted that this change would make the District able to present the prior month’s numbers within 30-days of the close of the month. Mr. Simmons made a motion to change the day and date of the meeting to the last Wednesday of the month. Mrs. Bowen seconded the motion, which carried 5-0. This is effective immediately.

Item 5: Rules of Procedure for Governing Board Meetings: Mr. Lee reminded the Board that this was discussed at the March 7, 2016 Board Meeting but that it could not be voted on at the time. It was present on the April 4, 2016 agenda, which was adjourned due to not having a quorum.

Chief Moran said that there have been no changes to the document since the March 7th meeting. Mrs. Bowen moved to approve the new Rules for Procedure document, with Mr. Simmons seconding the motion. The motion carried 5-0.

Item 6: 2016/2017 Budgeting Process: Chief Moran proposed the following schedule to prepare and submit the budget for fiscal year 2016/2017.

- May 9, 2016 – A Special Meeting to present the budget and the Five-Year Plan.
- May 13, 2016 – Post the budget for the minimum required 20 days.
- June 6, 2016 – Public Hearing/Special Meeting to approve the budget.

Mr. Conrad made a motion to approve the above schedule for presenting the budget.

Mr. Simmons seconded the motion, which carried 5-0.

Item 7: Public Record Complaint: Mr. Lee notified the Board that the State Ombudsman’s office issued a letter to the Board regarding complaints from a District citizen.

Chief explained that with Ms. Owen out of the office, Mr. Hanson has dealt with this issue and resolved it to the District’s satisfaction. As soon as Chief Moran receives confirmation of the resolution he will make the information available to the Board.

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There were two outcomes to the complaint: 1. The MJFD will provide Ms. McCool with the report for October 2015, and 2. Provide Ms. McCool with a packet of meeting documents that the Board Members receive.

Item 8: CDO Letter to the Board: Ms. Stites distributed a copy of the letter written from CDO Chair, Mrs. Mary McCool, to the Board.

Chief Moran said that the only response necessary is the letter from Mr. Olhauser dated April 26, 2016, where he states that the District's financial records and reports are currently properly prepared and that they represent a true and accurate picture of the District's financial status. Mr. Lee concurred with Chief's opinion.

Item 9: Monthly Financial Documents: Mr. Lee stated that it's his belief that the District is not required by law to approve all of the warrants and checks. Chief Moran read the requirements from the Arizona Revised Statute 48-807 to the Board:

- Paragraph N States: The District shall reconcile all accounts on a monthly basis within 30-days of the end of that calendar month, and reconciliation reports must be reviewed by the Board.
- Paragraph O States: The Districts must produce a monthly register of warrants, Checks, and deposits; a statement of activities; a statement of net assets for each calendar month; produce a cash flow projection report for each fiscal year, updated monthly to include actual revenue and expenditures of the preceding month.

Chief Moran presented a worksheet to the Board which charts cash flow projections, which includes actual vs. projected expenditures. He explained that income is tax revenue, billing revenue, and FDAT but does not include grants, donations, etc., only "hard" numbers. This will be updated monthly to actual revenue and expenditures of the preceding month. Each month the Board shall review the financial reports, the updated cash flow projection and all month end statements and reports for the preceding month. This includes reports from the County Treasurer and each financial institution.

During the discussion of what financial documents the Board would like presented to them for approval at meetings, discussion about Item #11: Documentation in Board Member Packets for Monthly Meeting began:

Item 11 addresses the notion that the Board would like to have Board packets prior to the scheduled meeting so that they may review them before the designated meeting time. After discussion among the Board Members the decision was made to:

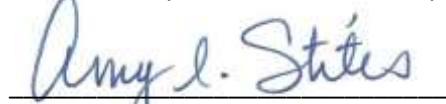
- Email Board Meeting documents, including financial reports to be discussed and approved, to the Board Members and Mrs. McCool prior to the meeting.
- Discontinue use of the HB2572 report that has been presented previously, but is not a legal requirement.
- Provide a profit and loss analysis, assets, balance sheet, listing of checks and warrants, National Bank of Arizona statement, Cochise and Pima County Activity Reports, and budget vs. actual report.

Mrs. Bowen made a motion to approve the decision specifics noted above. Mr. Simmons seconded the motion, which carried 5-0.

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- Item 10: Administrative Personnel: Chief Moran explained to the Board that a high percentage of his time is spent on fulfilling records requests, complaints, official inquiries, etc. none of which support our mission, which is to protect lives and save property. Despite many attempts by the Board's Chair Person to reason with the citizen who is responsible for the majority of these issues, the problems persist and have actually escalated. The increase cost of attorney fees and staff time alone has been tremendous, and leaves staff little time to actually conduct the business of the District. Chief said that he cannot continue to spend as much time on these issues as in the past, while other areas of his jurisdiction suffer.
- There was a suggestion to brainstorm ideas for a solution to the lack of administrative time to commit to the above issues. It was also decided to put this problem back on the agenda for the June 2016 meeting.
- Item 11: Documentation in Board Member Packets for Monthly Meeting began: Discussed in Item #9 above. Please see narrative of Item 9 above.
- Item 12: Apparatus Purchase: Chief said that he and FF Nastasio traveled to Glendale, Arizona to see a fire engine that was for sale and appeared to be a good deal. Upon inspection it turned out the engine was in poor shape and not in line with the District's needs. He did say there is a 1994 Pearce Engine for sale in Alabama for \$22,000. He is waiting on details to see if the engine would fit into the existing bays at Station One. This was information only, no decision or action required from the Board.
- Item 13: Apparatus Payment: The yearly USDA payment for Water Tender 171 in the amount of \$14,772.00 is due. Mrs. Bowen motioned to make the payment, while Mrs. Dupee seconded the motion. The motion carried with a 5-0 vote.
- Item 14: Policies and Procedures: Chief Moran presented Policy 094 and 101 to the Board. All changes to the current policy were made in a red font. Chief submitted the changes to the Ride Along Program Policy were cleared by the District's attorney, which she approved.
- Mrs. Bowen moved to approve the policies as revised, with a revision date of April 27, 2016, which Mr. Conrad seconded. The motion carried 5-0.
- Item 15: Call to the Public: Mrs. McCool presented a letter and a document to the Board. She informed the Board of her thinking regarding the need for various reports and disclosures and why these items are important to her. She also stated that the letter includes what she believes the Board should be reviewing on a monthly basis.
- Item 16: Adjourn: Mr. Conrad made a motion to adjourn, Mrs. Bowen and Mr. Simmons seconded the motion which carried 5-0. Mr. Lee declared the meeting adjourned at 19:48 hours.

Minutes compiled and submitted by:



Amy Stites, April 29, 2016