

Mr. Mark Lee Statement pertaining to Item 7
on the 9.28.2022 Agenda.

Last month I got an email from a former board member concerned with the process used to determine the future of the 2011 Ford F550. I shared the email with the board and read what I could within the time constraints of the Call to the Public. His concerns are valid and other taxpayers probably have the same concerns. I don't know that it would have changed the outcome but I am going to explain why and how I think the decision should have been handled differently so our bosses, the taxpayers would be more confident the right decisions were made. I expect my comments to be received in the manner they are intended which is constructive criticism. I urge you to listen closely to what I don't say as well as what I do say.

First, I want to explain about the decision making process in general regarding the Fire District. In the next few weeks three senior board members are going to be leaving. Between the three of us, we have 28 years experience as board members. The two junior board members will be remaining. Between them they have 4 years experience. One newly appointed board member will be sworn in and the new board will have to appoint two more board members within 90 days. There is every reason to expect, when the full board is seated, they will still have 4 years experience.

Military, law enforcement and fire service have a rigid chain of command that must be respected in order to operate efficiently. That is one reason military veterans are so desirable when hiring for fire and law enforcement positions. They are familiar with the chain of command system. It is not a democratic system and not everyone has a vote. The Fire Chief is the chief operations officer and the chief administrative officer. Operations and administration communicate their concerns to the Fire Chief and his decision in those areas of operation is final. The Fire Chief works with the Governing Board at their pleasure subject to terms of his contract. He doesn't work for the Governing Board. He is not their secretary to gather information so they can make decisions on topics facing the board. The Fire Chief gathers information, communicates his position and is expected to justify his position. Board members are expected to do their own research, come to meetings prepared to discuss the agenda items and take a position. When only one person does the research, you are going to get what that person wants you to know. That is not a criticism of the Chief, It is human nature.

Remember I said it is not a democratic system. Operations and administration do not have a seat at the table concerning Governing Board decisions. The Fire Chief is their representation. In a situation where operations or administration approaches a board member with a concern, the board member is the senior person and has the responsibility to inform that person they need to discuss the issue with the Fire Chief. To do otherwise is to diminish and undermine the Fire Chief's authority, which creates chaos and mistrust. It is not illegal for relatives of Board members to serve as volunteers as long as they are not directly supervised by the Board member, but it creates ethical problems for which the Board member needs to be prepared.

The Governing Board makes decisions concerning finances and sets priorities for the District, for the benefit of our supervisors, the taxpayers, whose money we are spending. Board members should not involve themselves in operations or

administration of the District unless requested by the Fire Chief. In order to be effective, board members must be able to see the big picture. Details are of minor importance and have the potential to be a distraction. Details need to be delegated to others. It is very easy to get bogged down with details and lose sight of the bigger mission. Board members need to focus on the overall plan and consider how one decision can affect another, a forest and the trees kind of thing.

This board has handled the decision about this piece of equipment badly. The decision to pay off the truck was with the intention it would be offered for sale to determine its value. If the truck was going to be repaired, there was no reason to pay off the loan. This was not part of the discussion when the payoff was presented therefore the next logical step was putting the truck up for sale to determine its value. If we could recover the payoff it would have made sense to get rid of it. The finance company would be fine with us repairing it, they would not have let us sell it or dismantle it to put on another chassis which were considered options. Once offered for sale, we did not have to sell the truck. The purpose of offering it for sale was to determine its value. We could put a minimum price and consider offers. The Board would have to decide if we were able to recoup enough of the taxpayer's money to complete the sale.

The decision to repair the truck was premature. We had no idea it's current value. The Chief was not asked his plans for the truck. We were told there were a limited number of engines available. In my opinion the Board allowed themselves to be influenced by irrelevant factors and made the decision hastily and without properly considering other options.

Last summer when the Board reviewed the Chief's performance, they identified the heliport as a priority for repair. The truck was broke down at that time and it was in storage. Bruce Andrews assisted Chief Moran in securing a grant from SSVEC and AEPCO to help with the cost of repairs. As the end of the year approached money should have been transferred into the heliport fund to allow the Chief to gather bids and start construction on the project. Instead the Board allocated \$20,000 to replace the engine in the truck, effectively putting off repairs to the heliport until October at the earliest, when money starts coming in from property taxes. We ended up the year with very little carry over and, for the first time, we have been borrowing money and paying interest for several months. We also denied the Chief the ability to carry out a project he had been assigned as a condition of his evaluation.

Now is the time to approach SSVEC and AEPCO to see if they will consider another donation to the heliport fund. The first logical question they would ask is "what have you accomplished with the money we donated last year?" How do we respond? I wish we were in a position to say we added \$20,000 to the money you gave us and construction is underway. I am not comfortable asking Mr. Andrews to go to back and ask for more money. This is an example of how one decision can affect others.

So, where do we go now? This is an example of how a bad decision 12 years ago still affects the District today. This piece of equipment is the first generation of a new

design. The whole DEF, regen system and particulate filter system was new technology. The systems had not been field tested and were not designed for equipment that sits and idles for extended periods of time as does fire equipment. It was designed for over the road semi tractors that run at high speed for extended periods of time.

Over the years there have been numerous expensive repairs to the vehicle. Ford refused to extend the warranty after replacing several turbos but agreed to supply an extended warranty with a \$150 deductible. That warranty was canceled after replacing another turbo. Ford has flagged this piece of equipment in their system and won't even discuss it any more. There have been issues with the suspension, tires, brakes and other systems. The most expensive of these repairs have been covered by warranty until the recent engine failure, however the District has spent several thousands of dollars on this unit. It is never a good idea to decide to keep a piece of equipment based on the amount of money spent in the past. That is the same as saying we have spent a lot of money on it in the past, let's keep it so we can spend more money on it in the future. This piece of equipment has a history of mechanical failures and there is no reason to expect that to change. It is my opinion this truck needs to be put up for sale, test the market and determine its value. If someone else values it more than we, it should be sold. We don't have to sell it. The taxpayers now have over \$65,000 invested in paying it off and replacing the engine. A decision will have to be made based on how much of the taxpayer's money we can recover and the anticipated expense of keeping the truck in service. At this time we don't have enough information to make that decision.

When we entered into the contract to repair the truck, we had an agreement the cost would not exceed \$20,000. We ended up writing a check for over \$20,500. We should have held the vendor to the original agreement. By the same token, the vendor should not have violated our agreement putting us in the position they did. The issue of a possible crack in the replacement block has not even been addressed. We should have insisted on a written agreement from the vendor with recourse concerning that matter. As it stands the taxpayers have no recourse in the event the block is actually cracked. The vendor has plenty of room to wiggle out of it if they so choose.

As boardchair I could see bad decisions being made but I was outvoted. I had no choice but to go along with this fiasco. The only way to learn to make good decisions is to be held responsible for bad decisions. I don't know that we would be in a different place had we handled it better, but we wouldn't be there yet and we would have had carryover funds for the heliport project and operations through the summer. Our supervisors, the taxpayers whose money supports the Fire District, would have more confidence we made the right decisions. Going forward, I hope the Governing Board makes better decisions regarding these type significant financial matters.