

Regular Meeting of Pinetop Fire Board
Monday February 28, 2022
Pinetop Fire District Station 12
Video & Conference Available
1845 S. Pine Lake Rd, Pinetop AZ 85935

Call the meeting to Order: Chairman John Rowlinson called the meeting to order at 5:00pm

Roll Call of Board Members; Present - John Rowlinson, Carla Bowen, Ernie Lawes, Brad Baker and Ben Borrego

Also Present for presentation; Lydia Hunter – Beach Fleishman PC, - Gabe Buldra, Sara Simonton from JVG.

STIFEL - Michael Lavallee and Claude Lockhart by video conference
Present by phone, Bill Whittington

I. Call to the Public: None

II. Consent Agenda Board Business

The items on the consent agenda are considered routine and will be adopted in one motion unless a board member, staff, or member of the public in the audience requests, before the vote on the motion, to have the item considered separately. If any item is removed from the Consent Agenda, the Board Chairman will indicate when it will be discussed in the regular agenda.

- 1) Approval of Minutes for January 2022
- 2) Approval of Warrants paid in January 2022

Brad Baker had one correction to page 3 of the minutes paragraph 3 to say 2022 not 2021.

Mr. Baker made the motion to accept the consent agenda with the correction as presented, seconded by Ernie Lawes, motion carried unanimously 4-0

Carla Bowen abstained from the vote, as she was not present at the January Meeting.

IV. Board Business

1. Discussion/Consideration/Possible Action re; Presentation of the Annual Audit ending on June 30, 2021 for the Pinetop Fire District by Beach Fleishman PC.

All documents and reports are included in the board packet. Lydia Hunter (Beach Fleishman) explained the process and went reviewed the audit letter to the board. The district was issued an “Unmodified Opinion” which is the best obtainable qualification. She congratulated the district for a clean, transparent audit process and for achieving the GFOA award for the fourth consecutive year.

There was some discussion about some of the wording in the letter which she explained – there are standard phrases for any company audit. Ms. Hunter touched on timing of grant billings maybe being billed sooner or quarterly for best practice. Nothing else remarkable or notable.

She told the board that the district had a positive cash position at completion of the audit.

Ernie Lawes made the motion to accept the 2021-22 financial audit for the Pinetop Fire District as submitted. Seconded by Carla Bowen, motion passed unanimously 5-0

2. Discussion/Consideration/Possible Action re; Presentation of the January 2022 Financial Reports

All documents and reports are included in the packet.

Sara Simonton (JVG) gave a brief summary of the Revenue and Expenses, noting that Navajo County revenue and non-tax revenue were both under budget slightly.

Everything else was either in line or slightly above or below, nothing notable.

However, Year to date and Total Cash are still over budget with Wildland and Grant income driving those numbers.

Our percentages for January were; Personnel 66%, Ops 28%, Admin 4% and Communications 2%. Personnel is still trending lower but should change during Wildland Fire Season.

Update for the budget schedule, 1st meeting will be March 21 at 330pm at St 12. This meeting will be to set goals, objectives, and a general overview of current financials. The meeting in April – will begin work with budget requests from project managers and service providers such as various insurance vendors.

May present the tentative budget for tentative adoption

June will be the Public Hearing and tentative approval

July operating under new budget.

Ernie Lawes made the motion to accept the January 2022 Financial reports as presented, seconded by Brad Baker, motion carried unanimously 5-0

- 3. Discussion/Consideration/Possible Approval re; Adoption of a Resolution approving the sale and execution and delivery of Certificates of Participation in a lease-purchase agreement; approving the form and authorizing the execution and delivery of necessary agreement, instruments and documents and delegating authority to determine certain matters with respect to the foregoing.*

All Documents for the presentation were included in the packet, along with explanations and some options for Pinetop Fire District's unfunded liability. We have been discussing PSPRS unfunded liability at nearly every meeting and certainly on a yearly basis, everyone should be familiar with the challenges it creates.

Michael Lavalley and Claude Lockhart were present virtually for any questions.

This program is debt restructuring – allowing for long-term cost savings by lowering the interest rate currently being charged on our PSPRS unfunded liability. The debt currently sits at approximately \$7.7 million. The district could see an increase up to 1.5% this year alone. It is prudent that we act as soon as possible, not only to secure a lower interest rate, but we do not know what the future holds with the current problems in the world, costs are driven up daily. Many other districts are now employing similar programs to aid with their unfunded liability since the legislation changed allowing them to do so.

Gabe Buldra (James Vincent Group) presented a graph showing the board what would happen if we did or did not utilize the C.O.P.S. program. The graphs are very clear about the path forward - leaving little doubt to the daunting expense and increases if PFD simply does nothing vs if we go forward with the Certificates of Participation.

There was discussion about market volatility and interest rates. Mr. Lockhart (STIFEL) spoke about the gains that PSPRS had seen this year – clarifying that no one would see any immediate benefit for at least a year or more. There were a couple of questions concerning contingencies. After some discussion the board felt that best practice forward would be to implement the C.O.P.S. program to combat our mounting PSPRS unfunded liability.

Carla Bowen made the motion to adopt Resolution 2022-01 approving the sale, execution and delivery of Certificates of Participation in a lease-purchase agreement to provide necessary

financing for the purposes of funding all or a portion of the district's PSPRS unfunded liabilities as presented. Seconded by Ernie Lawes, motion passed unanimously 5-0

Summary of Current Events

1. Chief Report

Congratulations to Manny Cooley who was chosen for Firefighter/EMT of the year and Mario Dopazo who was chosen for Firefighter of the year from the local VFW- they were given their awards at the city council meeting. Both men are very deserving of these awards, both are great role models for the community.

2. Board Chair Report

Nothing significant to report

VI. *Future Meeting Dates: March 21, 2022*

1. Tentative consideration of adoption of 2018 ICC Fire and WUI Code
2. Update on land purchase quest

VII. *Announcements*

Working with attorneys to talk about the 2018 ICC Fire and WUI Code adoption with the city.

VIII. *Adjournment*

Meeting was adjourned at 6.15 pm

Respectfully Submitted

Karen Robbins