

Regular Meeting of Pinetop Fire Board
Monday September 19, 2022
Pinetop Fire District Station 12
Video & Conference Available
1845 S. Pine Lake Rd, Pinetop AZ 85935

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

**1. Roll Call of Board Members; John Rowlinson, Ernie Lawes, Carla Bowen, Ben Borrego
Brad Baker was present electronically**

Present electronically; Chief Morgan, Sara Simonton and Attorney Bill Whittington

Also present, Division Chief Chad Berlin, Administrative Captain Rob Watson and Dan Jerome (RedSky Fire Apparatus LLC) for presentation

II. Call to the Public: None

III. 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 August 2022
- 2) Approval of Warrants paid in August 2022

Carla Bowen made the motion to accept the August 2022 consent agenda as corrected. Seconded by Ben Borrego. Motion passed unanimously 5-0

IV. Board Business

1. Discussion/Consideration/Possible Action re: Presentation of August 2022 Financial Reports

Sara Simonton (JVG) gave a brief summary of the August 2022 financial reports.
All documents and reports are included in the packet.

A few highlights;

Navajo County Revenue for August was \$11,397 which is \$851 under budget.

Wildland Revenue is over budget by \$197,052 and grant revenue was under by \$97,358

Expenses for August were \$619,959, which were over budget by \$134,987

Travel, Meetings /Trainings and Personnel were also over budget – all due to wildland fire deployments.

Buildings and Land were also over due to a 10-year elevator maintenance expense.

Year to date total revenue was \$935,869 which is \$480,522 over budget

Wildland Fire was \$597,369 over budget

Year to date expenses were over by \$370,515 mostly due to wildland fire -including personnel, travel, and fuel for deployments.

Total Cash was \$341,508 – which is less than this time last year. The payoff of the lease purchase has to do with most of that variance.

District Percentages were Personnel 75%, Ops at 20%, Admin at 4% Communication 1%

In response to a question about open/unpaid wildland fire invoices, Chief Morgan pointed out that we that are still deploying folks to assignments even as we speak, we expect revenue and expenses will continue at least throughout October.

Ben Borrego made the motion to accept the August 2022 Financial reports as presented. Seconded by Ernie Lawes. Motion passed unanimously 5-0

2. **Discussion/Consideration/Possible Approval re; Land Purchase proposal from Martinez Investment LLC for 6 acres at \$125, 000.00 per acre with purchase/carrying terms.**

All documents are included in the board packet. PFD has established an ESCROW account a purchase agreement signed by Pinetop Fire District and Martinez Management LLC. We have made the earnest payment of \$40,000.00. Chief Morgan summarized what had taken place over the last two months.

Chairman Rowlinson asked if we had all of the needed approvals in the past meeting minutes- he had been absent during one of the meetings. Chief Morgan said there was an authorization for himself to make a cash offer to Martinez Management after they denied our first offer-and a signed agreement moving the process forward. Carla Bowen suggested the board ratify the approval, just to make sure everything was approved, and there were no questions later.

For review:

“The June 2022 Board Minutes Authorized Chief Morgan to offer the Martinez Investment LLC firm a full cash offer of \$125,000.00 an acre with full payment at close, and also authorizing Chief Morgan to work with Mr. Whittington to draft a purchase agreement with the proposed offer terms as presented. Also authorizing Chief Morgan to engage Lawyers Title Co. to draft the title documents and to enlist an environmental engineering firm to conduct the phase 1 environmental review not to exceed 12,500.00 for the phase 1 inspection as presented. It was seconded and passed 4-0”

There was some discussion concerning the contract (provided in the packet) relating to page 2; conflicting escrow dates and inspections. Carla Bowen wanted clarity so there is no ambiguity for the dates going forward.

The other discussion was in regard to the signatures on the “red-Line copy”. Attorney Bill Whittington told them the “red line copy” was exactly the same as the “clean copy”, so there shouldn’t be any problems. Chief Morgan said he could have everyone sign the “clean copy” of the contract if the board preferred. The board would also like the word company added to the agreement on pg. 14.

Carla Bowen made a motion to ratify the contract as signed and accepted by Pinetop Fire District and by the seller - Martinez Management, also adding the word Company to page 14 of the contract. Seconded by Brad Baker, motion passed unanimously 5-0

3. **Discussion/Consideration/Possible Approval re; Purchase of a wildland type 3 engine not to exceed \$431,250.00**

This item was tabled at the last meeting, August 15, 2022 – for the committee to review the urgency uncovered at that meeting. Chief Morgan summarized the reasoning for last month agenda item which concerned supply chain and availability of apparatus.

Currently there is new additional information that Chief thought warranted even more urgency. Our - 09 Type 3 engine has over 337,840 miles and over 4214 hours of service, over the years it has frequently been out of service for repairs, but we thought it was good for another season. On July 15, while on assignment, it was sent back for fuel injectors and pump switch problems which were repaired. It then deployed to California, where it has been in the shop several times for overheating and was diagnosed with a bad EGR valve and head gasket leak. It needs significant repairs and will be out of service for quite some time while waiting for the parts. It has cost the district approximately over 29,000 throughout its service.

There were some questions and discussions to keep the vehicle after repair or sell it. Chief Morgan would like to keep it for backup. Once repaired it would be good for another 300,000 miles. We have already turned down 3 assignments since it broke down which is devastating to our revenue source right now.

Dan Jerome was present today with the Type 3 Model 346 parked outside for the board and firefighters to look at. Chief Morgan reminded them that this was the committee's first choice due to the exceptional wildland capabilities. If we sign the agreement right now – securing the vehicle, it would have to finish its demo responsibility in New Mexico and then on to be equipped for Pinetop Fire – putting it back in district in approximately 3 weeks.

Chief Morgan brought up the possibility of securing a lease purchase loan from NBAZ Bank in the future months to take some of the financial pressure off of the district- he wanted them to know it is an option. We will re-evaluate after the expense of the property and new Type 3. Mrs. Bowen and the board would like a detailed report on the financial stability of the district after these significant expenses.

There was a question about who would be authorized to sign the purchase agreement and Mrs. Bowen requested Administrative Captain Rob Watson (fleet manager) be the authorized signor in temporary absence of the Fire Chief.

Ben Borrego made a motion authorizing Chief Morgan to execute a purchase contract with RedSky Fire Apparatus LLC for a Type 3 Wildland engine Model 346 in an amount not to exceed \$431,000.00 excluding sales tax or operational equipment as presented. Seconded by Carla Bowen. Motion passed unanimously 5-0

Carla Bowen made a motion authorizing Administrative Captain Rob Watson, upon temporary absence of the Fire Chief, to execute the agreement initiating the purchase for the Type 3 Model 346 Wildland Fire Engine. Upon return, Chief Morgan will officially sign the document. Seconded by Ben Borrego. Motion passed unanimously 5-0

V. Summary of Current Events

VI.

1. Chief Report

Report is included in board packet. Chief Morgan touched on the current deployments, reminding the board that we are sending them out as we can.

AFDA would be in Laughlin this year in January

2. Board Chair Report

Nothing significant to report

VII. *Future Meeting Dates: August 15, 2022 October 17, 2022*

VIII. Announcements

1. Carla Bowen would like to see some form of information concerning homeless encampments on district property and how to address the problem, on the next agenda.
2. The Board would like to see a report in detail of where the district financial stability after the major expenses.

IX. Adjournment

Meeting was adjourned at 5:50 pm

Respectfully Submitted

Karen Robbins

Approved