

**CORTEZ FIRE PROTECTION DISTRICT
REGULAR BOARD MEETING
August 20, 2014**

(The Board of Directors meeting was rescheduled by the Board at the July 9, 2014 Board of Directors meeting, and was noticed in the Legal Section of the Cortez Journal, the paper of record, on Friday, August 8, 2014.)

CALL TO ORDER and PLEDGE OF ALLEGIANCE

President Orly Lucero called the meeting to order at 6:02 p.m. in the meeting room at Station #1. Roll call followed after the Pledge of Allegiance and the board members present were Lori Johnson, Kent Lindsay, Diane Fox, Sherri Wright and Orly Lucero. Administrative Assistant Wendy Mimiaga, Asst. Chief Charles Balke, Chief Jeff Vandevoorde and Heidi Trainor were present for the meeting.

APPROVAL OF THE AGENDA

There were no changes or additions to the agenda for the Board of Directors meeting, August 20, 2014

Sherri Wright made a motion to approve the agenda for the August 20, 2014 Board of Directors meeting, Lori Johnson seconded. The agenda was approved on the following vote:

Fox	Lindsay	Wright	Johnson	Lucero
Yes	yes	yes	yes	yes

APPROVAL OF MINUTES

The minutes from the regular meeting, held on July 9, 2014 were brought before the board for approval. A typo was noted on page 4, paragraph 6.

Lori Johnson made a motion to approve the minutes for the regular Board of Directors meeting held on July 9, 2014, with the correction on page 4, Kent Lindsay seconded. The minutes for the meeting were approved on the following vote:

Fox	Lindsay	Wright	Johnson	Lucero
Yes	yes	yes	yes	yes

BILLS AND ACCOUNTS

The board reviewed the list of bills and accounts and the financials included in the Board packet.

Ms. Johnson asked what was purchased at Aarons. Chief Vandevoorde explained it was a new television stand for the new television that was purchased at Wal-Mart to put in the day room for the firefighters. Ms. Johnson also asked why there were two (2) payments of \$615.00 to the International Association of Fire Chiefs. Chief Vandevoorde explained the two payments were the registration fees for both the Chief and the Asst. Chief for the conference they just attended in Dallas, Texas.

President Lucero inquired about the Wal-Mart credit card bill of only \$1.71. Ms. Mimiaga explained there was only one charge for the month, and a \$10 gift card was used. A check for \$1.71 was not sent, and the balance will be added to the next invoice.

Ms. Johnson asked about the \$500, \$71 per day for seven days, per diem checks for the Chief and Asst. Chief, and if any meals were included with the \$615.00 registration fees, further stating that most conferences at least provide breakfast and/or lunch. Chief Vandevorde explained that some of the different Fire Chief's Associations offer lunch, but it is separate, the registration fee is primarily for the classes. Ms. Fox added that you usually do not know if any meals will be provided until you arrive, the per diem is to help offset your expenses. Mr. Lindsay added that you are only given a certain amount per day for per diem, and if you use it all on one meal or several, that is up to the individual.

Mr. Lindsay commented on the bill from Alpine Security to trouble shoot the alarm at Station One, and don't we also pay them a monthly fee. Chief Vandevorde explained that we will be getting rid of the alarm lines in exchange for cellular relays at all three stations. This will alleviate the alarm going off at Station One every time it rains, and allow us to remove the phone lines from Stations Two and Three.

Sherri Wright made a motion to accept the bills and financials including the supplemental list of bills, Diane Fox seconded. The motion passed on the following vote:

Fox	Lindsay	Wright	Johnson	Lucero
Yes	yes	yes	yes	yes

PUBLIC COMMENT

There was no public comment.

CORRESPONDENCE

Included in the packet were inclusions from the Cortez Journal from August 1, 5, 8, 19, 2014, and a thank you letter from Chief Robert Hays from Grants, NM, regarding Tri-State along with a newspaper clipping regarding Cibola County History and Tri-State held in Cortez fifty years ago.

REPORT FROM THE ADMINISTRATIVE ASSISTANT

A report of the current financial accounts was included in the packet. The county treasurer's office distributed a total of \$51,939.10 to the district for the month of July, 2014. \$33,621.58 for the general mill levy, and \$18,317.52 for the additional mill levy.

The business money market account at 1st Southwest Bank had a balance of \$129,134.22 as of July 31, 2014 with Interest earned in July, 2014 of \$27.42. The annual percentage yield remained at 0.25%, and the interest paid year to date was \$187.37. The 3 year jumbo CD of \$257,092.42 at 0.60% earned \$127.06 on July 13, 2013. Total interest paid in 2014 is \$634.69 for an updated balance of \$257,727.11.

\$250,000 was deposited in a jumbo CD, at 0.98%, for 5 years at the First National Bank of Cortez on February 14, 2014. We have not received a current statement, but as of May 14, 2014, it has earned \$597.40. This CD is updated quarterly. The balance, as of May 14, 2014 is \$250,597.40.

The balance in the State Farm account, as of July 31, 2014, was \$743,286.13 with interest earned in July, 2014 of \$410.22, and year to date \$3,014.45. The interest rate remained at 0.65%. The total in the reserve accounts is \$1,380,744.86.

Ms. Mimiaga also included a list of several workshops and trainings she has recently attended.

The jobless rate increased to 6.2% in July from 6.1% in June, adding only 209,000 jobs. 1.5 million jobs have been added to the economy over the past six months. The Federal Reserve reported that due to the improving economy, they will slow their quantitative easing more quickly, with an end in sight as early as October, 2014. The fed funds rate remains near zero, where it has been since 2008. The fed is anticipating possibly raising rates sooner than they had projected, but it will probably not happen until after the first of the year.

Also included was a preliminary accounting from Tri-State. Currently we have paid out \$21,844.23 and taken in \$24,683.00 for a current profit of \$2,838.77. We are still waiting to receive two checks from Lee Ranch Coal Co. totaling \$3,060.00, and any outstanding invoices. Ms. Johnson noted that we will probably come out ahead about \$5,000 for Tri-State, and made a suggestion that we take \$500 of the profit and purchase Cortez Cash to give as a thank you to the individuals who volunteered their time over the weekend to help make the event a success. And earmark the balance and for the building fund, facilities under the capital reserve allocations. Mr. Lindsay submitted an invoice for the El Grande Café for items purchased for Tri-State totaling just over one thousand dollars.

Lori Johnson made a motion to authorize Chief Vandevoorde to purchase not more than \$600 in Cortez Cash and attribute the remaining balance of the profits from Tri-State to the building fund, Diane Fox seconded. The motion passed on the following vote:

Fox	Lindsay	Wright	Johnson	Lucero
Yes	yes	yes	yes	yes

REPORT FROM THE ASST. CHIEF

Asst. Chief Balke went over his report that was included in the packet along with a list of the trainings, meetings and events he attended. Asst. Chief Balke added the number of individuals who attended each of the agency trainings as requested by the Board. He clarified that the Duty Crew consist of five (5) firefighters. A successful Breaching training was conducted with the Cortez Police Department, and the District will do additional trainings with the Cortez Police Department as well as the Montezuma County Sheriff's Department.

The AFG and SAFER grants will be changing the process for applying. There is still no word on our current AFG grant, and this is usually the time the grant application opens for the next year. The application for the SAFER grant will commence after the first of the year. We were denied SAFER this year, but we will apply again for the retention grant in January. We will have fulfilled the terms of our current SAFER grant this October, 2014. All the awards for SAFER this year were for new hires, so we are hoping that next year will be predominantly for retention. Since we have not yet heard from AFG, their recommendation is to resubmit for the same for next year. If we are awarded the AFG grant for 2014, we can pull our 2015 application.

The testing for all the ladders was done by UL, and all passed. We have also sent off the hydraulic fluid for the ladder truck to be tested.

A graph of the monthly calls and response times for July, broken down by district, was included. The weighted average response time for the month of July, taking into consideration all districts, was five minutes, fifty-five seconds.

As requested, a list of training hours and b-tone responses for the part-time and pension members for the first six months, through June 30, 2014, was included. The 20% requirement of b-tone calls was nine (9) calls, and eighteen (18) training hours for the first six months. Ms. Johnson pointed out that only Lori Mott and Troy Mott made the requirement for both.

Asst. Chief Balke brought up that at the FRI Conference, they found there is a national trend to do away with dual requirements due to liability issues for personnel, and just go to one requirement across the board for every member. Ms. Johnson pointed out that we would have to have at least 36 hours of training per year since that is what the state requires for the pension. Chief Vandevoorde pointed out that he would have firefighters do their 36 hours of training with in the first couple of months, and then you would never see them again. They could also only do 36 hours of training per year for twenty years and never respond to one call and still qualify for the pension. This was why the Board changed it to 20% of the b-tone calls. This year they are only required to respond to nine calls in the first six months, and most are still not able to make the requirement.

Mr. Lindsay inquired if all the part time members had pagers. Asst. Chief Balke explained that not all of them have pagers, as they do not live in the area, however, the b-tones come across their cell phones as a text message. It was further explained that we will be going to an alternative notification system, Active 911. This is utilized with cell phones, which everyone has, and the District will cover the cost of the service per person, about \$10 per year per device. It also comes with google maps.

Chief Vandevoorde added that he has further calculated the number of hours worked by each part time employee for the first six months. The Chief has had to have a few individuals turn in their gear, as they are not working enough hours or showing up for calls to warrant keeping them on the roster. The cost per individual keeps rising, i.e. workman's comp. insurance, physicals, gear, etc. We also have to look at those who are only here for a paycheck, who work numerous hours on shift, but do not respond to b-tone calls, when we really need the help. We also cannot have a roster full of individuals who only work one or two days a month, it is not fiscally responsible. We are averaging about 100 hours of open shifts per month for the two part time positions. We need a good mix of individuals who will work the shifts, but will also come back for trainings and b-tone calls.

REPORT FROM THE FIRE CHIEF

Chief Vandevoorde went over his report and list of meetings that was included in the packet. Chief Vandevoorde thanked everyone who volunteered and helped out with Tri-State. It was a great event and we received many compliments from the other departments. A lot of time went into the planning. The Chief will meet with Justin Lindsay to get a list of the volunteers who helped out to get them a thank you note and Cortez Cash.

We had three site visits from firms who requested a copy of the RFP. We have had twenty-six request for the RFP.

Ben Kiessel has submitted a letter of resignation as a full time firefighter effective August 9, 2014. Mr. Kiessel has been with the District since January, 2014. He has accepted a position as a firefighter with Farmington, NM. We wish him the best of luck.

There were 144 calls during the month of July, 103 EMS calls, 32 fire calls and 9 vehicle accidents for a total of 1006 total calls for the year.

With Mr. Kiessel leaving, and Mr. Martinez before him, we have two new fulltime firefighters, Danny Barfield and Mike Cabell.

The Fiscal Affairs Committee, budget, meeting is scheduled for Monday, September 15, 2014 at 5 p.m. at Station One. Chief Vandevoorde asked that if someone cannot make the meeting to please contact him so he go over the budget with them at a more convenient time.

NEW BUSINESS

2013 Audit – Heidi Trainor presented the 2013 audit and the internal control memo to the Board of Directors. Beginning with the financial statement on page 8, Ms. Trainor explained that governmental accounting is different from private or for-profit accounting in that the assets of the organization belong to the tax payers, and the District cannot incur debt unless approved by the tax payers. Therefore the lease purchase of the new fire truck is a lease that expires and is renewed each year. The District is not obligated for more than one year. This is depicted as the Capital Lease due within one year, \$112,173, and due in more than one year, \$190,427.

At the end of 2013 cash and investments were up, and the property taxes receivable, the taxes levied in December, 2013 for receipt in 2014, are also up, reflecting the increase in the tax levy. The increase in the depreciable assets reflect the new fire truck.

The Equity, referred to as Net Position in governmental accounting, shows the money that has been restricted, the Tabor reserve, 3% of expenditures, and the unrestricted portion, that is Board restricted. It is considered unrestricted since the Board can reallocate it at any time.

The profit and loss statement on page 9 shows where money came from, property tax revenues, S.O. tax, grants, and where it was spent, administration, fire protection, training, etc., and the transfer to the pension fund.

The pension trust fund, page 14, held very steady in terms of value. The investments showed a small decline (*due to market fluctuation and changes in interest rates*), and it will also increase in value due to the same. A detail of all the investments is listed on page 24. The new 2014 actuarial report was included in this audit as it was more pertinent than the report done in 2012. The calculations from the actuarial report are reported in the audit on page 28. It was noted that there were five less people listed as participants in the retirement fund. This is a reflection of individuals who have retired and are waiting to collect their pension, or have left the District and are no longer working toward the pension. Page 35 shows the Districts contributions over the last fourteen years to the pension fund.

On page 21, Cash and Investments, shows what is in the bank, the bank balance, and audited balance. The difference is outstanding checks or deposited funds. The money that is accounted for, \$801,011, is shown on page 22. All deposits are covered under PDPA, Colorado Public Deposit Protection Act.

The detail of the fixed assets is listed on page 26. The land is not depreciated, and the majority of the additions is from the new truck.

Page 31 shows the budget to actual for the District, which came in as anticipated, better than budget, and page 38 shows the budget to actual for the pension fund.

In the process of the audit there is a lot of analysis of the internal control. This determines how much risk is involved, and how much auditing will need to be done. The internal control memo confers what controls the auditor thinks are important. Ms. Trainor stated that these do not have an effect on the Districts financial statements, but eventually could, and is therefore important to bring to the Districts attention. The District can then decide if they should be addressed or not. The first observation was that the Certificates of Deposit accounts had not been reconciled in the past, but it had been brought to her attention that they have been reconciled this year after the CD's were rolled over. Ms. Trainor continued that the check stubs are attached to the vendor invoices indicated that they have been paid, but she would also like to see the actual invoices stamped or marked 'paid' as well. Since the per diem rates change based on the destination and the time of the year, the per diem checks need to have documentation attached to them. Ms. Trainor suggested copying the IRS page for the per diem rate being used and attach it to the checks as the documentation. Every distribution needs to have documentation. The last point Ms. Trainor made had to do with the signatures on checks. Two checks were found to have only one signature on them. As an internal control, the District currently requires two signatures on each check. The bank is not going to check the number of signatures on each check that comes through.

Ms. Trainor continued to comment on an observation she made based on reading the Board meeting minutes for the 2013. Sometimes Boards get too involved in operations. The Board is one of the biggest pieces of internal control that she looks to as an auditor. There are many reasons

why the Board is separate from management, but when it comes to the audit, it is for internal control. Ms. Trainor recommends to Boards "nose in, hands out", you cannot be in the trenches, and over see what is going on. The Board is the policy setting body, and procedure is up to management, those with the background in fire management. Ms. Trainor continued using the budget as an example stating that it is the job of the Board to work with administration and come up with a budget. This is the most important job the Board does. Once the Board approves the budget, it is up to administration to set forth with the policy the Board has set with the budget.

President Lucero asked if it is okay to restructure the budget later in the year based on the available funds. Ms. Trainor explained that it is better to wait until the end of the year to amend your budget and submit a revised budget, i.e. there was an additional expense that was not budgeted, earning additional income you want to expend during the current budget year, etc. You can amend the budget at any time, but it is better to wait until the end of the year.

Lori Johnson made a motion to approve the 2012/2013 Basic Financial Statement and Auditor's Report as presented by Heidi Trainor, Sherri Wright seconded. The motion passed on the following vote:

Fox	Lindsay	Wright	Johnson	Lucero
Yes	yes	yes	yes	yes

OLD BUSINESS

Expectations of the Fire Chief – Based on the executive session held at the August 20, 2014 meeting, Chief Vandevoorde submitted his three top priorities he feels are important, and that he feel strongly about. The first was to work with and develop a team of personnel who want to be here. The Chief has met with the fulltime firefighters and explained that we will never be able to compete with some of the surrounding departments based on pay scale. We will do the best we can with pay and benefits based on our available funds. The second was to develop and mentor all personnel to become leaders in the department and the community. Help them work toward goals, i.e. officer development, and personal and professional development. The Chief will meet with each individual to assess their goals. To help keep the communication lines open, the Chief would like to have a designated individual, who would be more approachable, that would act as a liaison between the firefighters and administration in the hopes that individuals would be more likely to speak up to their peer if they are uncomfortable talking with the Chief or Asst. Chief. The third goal is to continue with a solid budget to support the individuals here. The pay here is not the greatest, however, we do have good benefits and a good pension. We will do what we can to keep the firefighters here, but we cannot get upset over things we cannot control. People will move on, but eventually we will have nine fulltime firefighters and a good core of part time firefighters who want to be here.

Ms. Fox added that she understands that the part time firefighters are the veteran, more experienced firefighters, but it does not seem like they want to be here and lead this department to be something good.

The Chief continued that while at FRI, many of the classes he took were leadership and had to do with combination departments. The one question that was posed asked if becoming a combination department was proactive or reactive. The Chief answered that for this district it was more reactive, and we need to start dealing with the problems. We need to get the total buy-in from all of the personnel.

Ms. Johnson added that this is a good first step and what the Board needed to hear from the Chief. Ms. Fox agreed, the Board needed to hear how this was going to work, and the plan to do so. It felt like the Chief and Asst. Chief were dealing with many issues. It is not going to be easy, but they do have the Boards support to move the department forward.

President Lucero added that more communication between the Board and the Chief will help make a stronger Board and a stronger Chief. President Lucero also asked if the Chief had a time line to implement these goals.

Chief Vandevoorde explained it is hard to say. Some people need to be and will be 'weeded' out, and the Board will probably get some complaints that we are 'weeding' people out. However, we need to see who really does want to be here and work here. Not just for a job or a paycheck, but also to help out at fires when we really need the help, participate in trainings, etc. It is hard to put a timeframe on this. We need to go through all of the personnel. The process has already begun.

Ms. Fox added *(to the individuals in the audience)* that the Board does support the Chief and the Asst. Chief, knowing that we want these folks (firefighters) here. We want to support them, and for them to be part of this organization, and to grow and become leaders within this organization, but you have to commit and want to be here.

Job Description of the Fire Chief – At the last meeting, August 20, 2014, the job description for the Fire Chief was reviewed. The two (2) changes that were suggested have been made, under Availability to "...respond to all major emergency calls **as needed**" and under Responsibilities the sixth bullet "...Respond to fire, EMS, rescue and other incidents **as needed.**"

Ms. Johnson added that she would like to make a change to bullet number ten under Responsibilities. It states that the Chief must attend all Board of Directors meetings "...unless on vacation or emergency situation." Ms. Johnson continued that the emergency situations are understandable, but the Chief should attend all Board meetings. Ms. Fox added that family functions come up, and you should not have to schedule your life around a Board meeting. Or the meeting could be rescheduled. It was decided to change the wording to "...unless there is an emergency situation." The revised job description will be presented at the next Board meeting, September 17, 2014 for approval.

Number of signatures required for checks – As directed by the Board, Resolution No. 2, Series 2014 was presented to the Board requiring only one signature on checks under five hundred dollars, and two signatures for checks of five hundred dollars or more.

Sherri Wright made a motion to adopt Resolution No. 2, Series 2014, Diane Fox seconded. The motion passed on the following vote:

Fox	Lindsay	Wright	Johnson	Lucero
Yes	yes	yes	yes	yes

Chief Vandevoorde added that President Lucero will need to accompany him to the Four Corners Community Bank to sign the documentation as needed by the bank.

Purchasing Policy – Ms. Johnson attained a copy of the purchasing policy from Durango Fire and Rescue, which was very extensive, and proceeded to edit it to the needs of our District. Ms. Johnson kept the estimated cost of purchases that were in the original document for the Chiefs approval of \$1,000 - \$5,000, but added that it had been discussed at the previous meeting that the Chief should have approval for purchases up to \$10,000. It was also suggested to raise the informal bidding amount to purchases from \$10,000 - \$25,000. Under Formal Bids for purchases over \$25,000, an item for Sole Source Purchases was added. A section was added for Life Safety or Response Necessity Emergency Purchases up to \$25,000 may be authorized by the Chief, without Board approval. The Chief would then present the emergency purchase to the Board at the next scheduled Board of Directors meeting. The changes will be made and presented to the Board at the next meeting, September 17, 2014, for approval.

The Board thanked Justine Lindsay for all the work he did for a successful Tri-State. Everyone enjoyed themselves. Mr. Lindsay J. presented each Board member with a tee shirt and bag of 'goodies' that was given to each participant.

EXECUTIVE SESSION

There was no executive session.

ADJOURNMENT

Having no further business to come before the board, Lori Johnson made a motion to adjourn the meeting, Diane Fox seconded. The motion passed as follows:

Fox	Lindsay	Wright	Johnson	Lucero
Yes	yes	yes	yes	yes

The meeting adjourned at 7:20 p.m.

Orly Lucero – President

Attest:

Kent Lindsay – Secretary/Treasurer