

**CORTEZ FIRE PROTECTION DISTRICT
REGULAR BOARD MEETING
August 7, 2013**

(The August Regular Board of Directors meeting was rescheduled from August 14, 2013 to August 7, 2012 at the July Regular Board of Directors meeting held on July 10, 2013 and was noticed in the Legal Section of the Cortez Journal, the paper of record, on Friday, August 2, 2013.)

CALL TO ORDER

President Bridgewater called the meeting to order at 6:00 p.m. in the meeting room at Station #1. Roll call followed and the board members present were Lori Johnson, Kent Lindsay, and Jim Bridgewater. Orly Lucero and Keenan Ertel were absent. Administrative Assistant Wendy Mimiaga, Asst. Chief Charles Balke and Chief Jeff Vandevoorde were present for the meeting.

Kent Lindsay made a motion to excuse both Orly Lucero and Keenan Ertel from the meeting, Lori Johnson seconded. The motion passed on the following vote:

Ertel	Lindsay	Lucero	Johnson	Bridgewater
Absent	yes	absent	yes	yes

APPROVAL OF MINUTES

The minutes from the regular meeting held on July 10, 2013, were brought before the board for approval.

Lori Johnson made a motion to approve the minutes for the regular Board of Directors meeting held on July 10, 2013, Kent Lindsay seconded. The minutes were approved on the following vote:

Ertel	Lindsay	Lucero	Johnson	Bridgewater
Excused	yes	excused	yes	yes

BILLS AND ACCOUNTS

The board reviewed the list of bills and accounts and the financials included in the Board packet. Ms. Johnson inquired if there were three pay periods in July. *(Pay dates in July were the 3rd, 17th and the 31st.)* Ms. Johnson also thanked staff for including the credit card statements with the bills and financials.

Lori Johnson made a motion to accept the bills and financials including the supplemental list of bills, Kent Lindsay seconded. The motion passed as follows:

Ertel	Lindsay	Lucero	Johnson	Bridgewater
Excused	yes	excused	yes	yes

PUBLIC COMMENT

Amanda Haukeness reported that Tri-State went well, we had six firefighters representing Cortez down in Grants New Mexico. *(Ms. Haukeness was then toned out for a call.)*

Asst. Chief Balke continued that our team received a third place trophy for the two man competition. This was the first year the majority of our team attended Tri-State. They all attended good classes and were appreciative for the opportunity. We, Cortez, are slated to host Tri-State next year, and will meet with the Tri-State Board in six months. Ms. Johnson stated that she has spoken with Ami Fair, events' organizer for the City of Cortez, and Roy Lane, the City of Cortez Chief of Police, and both will help out and are very supportive of hosting Tri-State here in Cortez next year. The issues surrounding alcohol does not seem to be as bad as in the past, and should not be a problem next year. Asst. Chief Balke added that it was made clear that the District will not pay for the alcohol. It will need to be handled through

the association.

Justine Lindsay arrived and took over the presentation about Tri-State. Mr. Lindsay J. reported that there were eighteen teams at the event and Cortez placed above tenth in two events, third in the two-man and fifth in the six-man. We had a brand new team with only a few weeks to practice. Chief Vandevoorde expressed his admiration for the team and was thrilled by how well they did with only three weeks of practice. Mr. Lindsay J. also brought back a 75th Annual Commemorative Plate along with the third place trophy, a training certificate and a signed copy of the book Last Man Down.

Mr. Lindsay J. also brought back some information to help us get started to host the event next year, and the Chief from Grants NM will be in touch soon to offer some assistance. He is anticipating holding the competition portion in the park at the recreation center as they have done in years past. He will also talk with the local hotels to see about offering a discount for the visiting firefighters. A lot of help will be needed for the preparation of the event, and he is hoping to get some of the retired firefighters involved as well.

CORRESPONDENCE

Included in the packet were inclusions from the Cortez Journal from July 16, 19, 23, 26, 2013 and a thank you note from AFS Los Angeles.

REPORT FROM THE ADMINISTRATIVE ASSISTANT

A report of the current financial accounts was included in the packet. The county treasurers' office distributed a total of \$32,734.82 to the district for the month of July, 2013. \$24,940.36 for the general mill levy, and \$7,794.46 for the additional two (2) mill levy.

The statement for the business money market account at 1st Southwest Bank had not yet been received for the month of July, however there was no activity in the account. The balance on June 28, 2013 was \$128,782.69. Interest for July is anticipated to be about the same as in June, about \$24.70, and will be reported at the September Board of Directors meeting. The 24 month jumbo CD of \$252,500 at 0.90% earned \$189.10 on July 13, 2013. Total interest paid in 2013 is \$1,333.31 and total to date is \$3,233.11. The current balance is \$255,733.11.

The balance in the State Farm account, as of July 31, 2013, was \$987,577.23 with interest earned in July, 2013 of \$545.04. Interest earned year to date is \$3,807.63. The interest rate remained at 0.65%. The estimated total in the reserve accounts is \$1,372,117.73.

Unemployment dropped to 7.4% in July from 7.6% adding 162,000 jobs, but not quite the 185,000 expected. This is the lowest rate since December, 2008. May and June were both revised down, May from 195,000 to 176,000 and June 188,000 from 195,000. The Federal Reserve is still looking for unemployment to fall below 6.5% before they start to pull back on the quantitative easing. They will continue to purchase \$85 billion a month in treasuries and mortgage backed securities. The number of discouraged workers, those who have stopped looking for work or are underemployed, did increase. GDP has increased with the economy growing at 1.7% in the second quarter, higher than the 1.0% expected, although the first quarter was revised down to 1.1% from 1.8%. The economy needs an annualized growth of 2.5% for unemployment to continue on its downward trend. Consumer spending is also increasing. All in all, interest rates will not be improving any time soon.

Also included in the report was information from SDA on SB-25, the Colorado Firefighter Safety Act. This was the same information Ms. Mimiaga and Chief Vandevoorde attained during a webinar on the bill presented by SDA. At the present time, the bill should not affect our district, but it is something we will need to keep abreast of.

Ms. Johnson asked a question regarding a \$3.51 interest payment on the Wal-Mart credit card bill. Ms. Mimiaga explained that it is not every month, but, due to the dates of the scheduled Board of Directors meetings and depending on the billing cycle, the payments can sometimes be late. Ms. Johnson suggested that we be able to pay these bills before the Board meeting. Chief Vandevoorde explained that this is what had to be done with the utility payments. We were continually being charged a late fee, so the accounts were set up for automatic payment. Ms. Mimiaga noted the spread sheet of

checks written and drafts withdrawn between meetings that accompanies the list of bills due. These late bills could be included with the Boards approval.

Kent Lindsay made a motion to pay any bills that will be late and/or incur a late or interest fee prior to approval at the Board of Directors meeting and include them on the list of bills paid between meetings and included in the Board packet, Lori Johnson seconded. The motion passed as follows:

Ertel	Lindsay	Lucero	Johnson	Bridgewater
Excused	yes	excused	yes	yes

President Bridgewater stated that the MCHD, Montezuma County Hospital District, Board had contacted him and asked if he would attend their next meeting on August 12, 2013 as they were in need of assistance with their upcoming ballot question regarding De-Bruceing. President Bridgewater requested that Ms. Mimiaga attend the meeting with him. It was discussed that this is a very worthwhile effort and would be good to work together with MCHD. Ms. Mimiaga commented that she had just attended a workshop on government budgeting and audits with DOLA in which the subject of De-Brucing came up and was discussed.

Ms Johnson commented that she had just again that week talked with George Deavers, Fire Chief at Lewis-Arriola Fire District, who said he talked to DOLA and specifically asked about the Cortez Fire District, and DOLA told him that Cortez Fire had not been De-Bruced, it is not on the books. Ms. Johnson then asked if we had talked to DOLA. Ms. Johnson explained that the reason he is asking is that if we De-Bruced at the same time, using the same wording, and he is finding out that his District is not De-Bruced then why is ours. Ms. Mimiaga explained that she has in fact met with Mr. Deavers about this issue and explained to him that the Cortez District is De-Bruced by showing him the election file from 1998, the year the Cortez District De-Bruced, with all the pertinent information, the actual question and the number of votes obtained and certified by the canvassers, and explaining how the De-Brucing process works. Ms. Mimiaga also stated that she has not seen or been given any documentation from the Lewis-Arriola's District, and that all that has been said is hearsay, and she has no way of knowing what has been done in their District. Ms. Mimiaga then went on to read the actual ballot question from the 1998 election. (see attached) Ms. Johnson commented that we can read the question all we want, but her concern is that the State is not recognizing the way it is written. Ms. Johnson then stated that per Mr. Deavers it was the same as Lewis-Arriola's, and theirs passed as well. Ms. Mimiaga continued that according to DOLA, the De-Brucing language is not regulated by them, there is no standard De-Brucing language that DOLA recognizes, the questions are written by an attorney on a District by District bases and then voted on by the electorate. There is a specific time frame when the Designated Election Official has to report the election results to DOLA. The same is true with the year-end reporting of the District's budget and mill levy certification. If it is not done within the time frame, DOLA will direct the County Treasurer to withhold the monthly tax disbursements. She has also conferred with Mr. McCabe on two separate occasions about this issue. It is unknown what is going on in the Lewis-Arriola District. Being over fourteen years ago, and before electronic filing, perhaps something was not correctly reported, misplaced or fell through the cracks. Mr. Lindsay added that since the 1998 election, the District has applied for and received multiple grants from DOLA, which would not be capable without the proper documentation.

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 reported that he is working with the Four Corners Training Officers and will be offering another Advanced Firefighter Academy in November, a transition course between basic firefighter and company officer. He is also prepping for more volunteer testing in September.

SAFER has reopened. The dynamics have changed and has dropped from three to two categories. Asst. Chief Balke is writing a retention portion, to help pay to retain our personnel for another two years. This funding would come out no later than September, 2014, the same time our current grant will expire.

There is still no word on if and when the AFG grant will open this year, 2013. Some information is saying it will possibly open in October. This will provide a very short window for applications to be submitted.

Asst. Chief Balke is working with E-One to have the aerial ladder truck repairs made. There is a specific process through the manufacturer that has to be followed.

Also included in the report was a graph of the monthly calls and response times for July broken down by district. The weighted average response time for the month of July, taking into consideration all districts, was six minutes, five seconds. Ms. Johnson inquired why the average response time was a little longer. Asst. Chief Balke explained that there were more responses down County Road G, vehicle accidents and lightning strikes, which take longer to respond.

Mr. Lindsay inquired about the meeting Asst. Chief Balke attended with the Montezuma-Cortez School District. He reported that the project is moving forward, and he is working with them on the Districts requirements for access. Quite a bit of groundwork will need to be done for the obstacles that are popping up. They are looking into extending 7th Street so there will be access on the back side of the property. The Fire District submitted what they needed for access and the School District worked it into the plans. There will be access on Sligo and reinforced concrete pads around the building for aerial access on all sides.

REPORT FROM THE FIRE CHIEF

Chief Vandevoorde went over his report and list of meetings that was included in the packet. The Chief reported that we received a little over \$3,800 from the Fire Pup program, a little more than last year, to use for fire prevention education.

We conducted full time testing for an eligibility list that will be good for one year. This included a written and agility test on one day, and a panel interview the next. There were a total of eleven applications, of those eight people succeeded and have been put on the list.

There were 159 calls during the month of July, 118 EMS, 32 fire and 9 vehicle accidents. The total calls for the year, 2013, is 927.

Chief Vandevoorde is working on a policy for contractors who do work for the District after the unrelated arrest and ten year jail sentence of a contractor who worked on the Districts building. The Chief asked Jeff Cunningham at VFIS for some input. Mr. Cunningham said each contractor should have their own insurance, including workman's comp otherwise we, the District, could be liable if anything were to happen. Each contractor should submit proof of insurance to the District each year and proof of bonding for jobs over a certain dollar level. We will need to have a list of approved contractors, and a file on each, who are approved to do work for the District.

A date for a budget workshop was set for September 11, 2013 at 3 p.m. prior to the Board of Directors meeting. This will be noticed in the Cortez Journal.

Chief Vandevoorde congratulated George McNeil on his completion of Paramedic School and receiving his certificate. And also Kevin Dunn, one of our volunteer firefighters, for placing second on the eligibility list. The Chief also commented that he and the staff are still working on updating the employee handbook and separating out what should be in the SOP's, Standard Operating Procedures. The handbook was a good start, but now it needs to be tailored more to our District's needs, especially having volunteer, part-time and full-time firefighters.

OLD BUSINESS

Election – Resolution No. 4, Series 2013, Cortez Fire Protection District Election Resolution for 2013 General Election for Ballot Issue, and the Intergovernmental Agreement Coordinated Election November 5, 2013 from the County Clerk, were presented to the Board. The resolution is a standard election resolution stating that the District will be coordinating with the County Clerk and participating in the General Election, November 5, 2013. Mr. McCabe reviewed the resolution and the intergovernmental agreement when Chief Vandevoorde and Ms. Mimiaga met with him about questions they had

concerning the ballot question. The revised ballot question from the attorney, Mr. McCabe, was attached to the resolution.

Kent Lindsay made a motion to approve Resolution No. 4, Series 2013, Lori Johnson seconded. The motion passed as follows:

Ertel	Lindsay	Lucero	Johnson	Bridgewater
Excused	yes	excused	yes	yes

Lori Johnson made a motion to sign the Intergovernmental Agreement for the Coordinated Election, Kent Lindsay seconded. The motion passed as follows:

Ertel	Lindsay	Lucero	Johnson	Bridgewater
Excused	yes	excused	yes	yes

Speaking Engagements – Three dates have been scheduled for presentations about the Fire District. The first occurred earlier in the day at the Cortez Chamber Luncheon. About fifteen people were in attendance. The presentation went well and everyone was supportive. Amanda Haukeness and Cody Rogers, both new volunteer firefighters, also attended. Previously, Asst. Chief Balke met with Becky Brunk and Orly Lucero to review the power point presentation. They had good input and suggestions for changes and ways to shorten the presentation so as not to lose people’s attention or overwhelm them. Also scheduled are the Senior Center on Wednesday, August 21, 2013 and the Church of Christ pot luck on Sunday, September 15, 2013. The Chief asked for Board members to please try to attend the presentations and show support, and to help schedule more speaking engagements at other meetings or events.

President Bridgewater mentioned that he had spoken with Gene Gustafson, a retired Cortez firefighter, about possibly becoming a member of the Pension Board. Mr. Gustafson is very interested. Ms. Mimiaga will send him a packet of information with the past Pension Board meeting minutes and the investments for his review. Mr. Lindsay will also look into other retired volunteers who might be interested in serving on the Pension Board.

Asst. Chief Balke reported that a Battle of the Badges Softball Tournament is scheduled for Sunday, September 8, 2013 beginning at 9 a.m. at one of the City of Cortez parks, still to be decided. All proceeds will go to the winning teams charity of choice. The following weekend will be the MDA fill the boot fundraiser.

NEW BUSINESS

Request for Proposal, 2013 Audit – At the last Board meeting, July 10, 2013, the Board requested that staff look into changing the District’s Auditor and having bids submitted for the 2013 Audit. Chief Vandevoorde explained that we would have to start the bid process now as a new auditor would probably need to start the audit at the beginning of the year. Ms. Mimiaga commented that she had just attended a DOLA workshop on governmental budgeting and audits that was presented in part by the state auditor’s office. The state auditor says that if you have an auditor that does a good job for you and you work well with, you should continue to work with them, that there is no reason to change auditors. With the changing standards, there are fewer CPAs that are qualified to perform governmental audits. After passing HB10-1236, that went into effect in 2011, all CPAs that do governmental audits must have a peer review. Before 2011, a peer review was only required if the entity received federal money. This is expensive and time consuming for the CPA, thus many will not perform governmental audits any longer.

The bid process could also be very time consuming for the staff. It is very meticulous and the bid request must contain all the pertinent information you are asking the CPAs to bid on. This would have to be done immediately as the audit process begins on January 1, 2014. This is when auditors, especially those not familiar with the District, can start coming in to gather information. The actual audit is not due to the state auditor’s office until July 31, 2014. As we are a smaller District and only work out of one account, the general fund, and Ms. Trainor is familiar with our District, we do not have to get our files to her until March. A governmental audit is different from an audit done in the private sector. The purpose of a

governmental audit is not to look for or detect fraud, but rather to make sure the proper checks and balances are in place when working with public money, and that it is being used in accordance for which it has been awarded. It is not to tell you how to set up your books, but rather to make sure you have set them up correctly, and have oversight as to how you handle your accounts, and then report back to the state auditor's office. Ms. Mimiaga explained that this year she worked with a different CPA, Eathan, in Ms. Trainor's office in accordance with our audit, but ultimately Ms. Trainor oversees the audit. She does make sure that there are different sets of eyes that look over our audit. Discussion ensued regarding the fact that the Board has been very happy working with Ms. Trainor and believes she has done a good job for the District.

Lori Johnson made a motion to continue working with Heidi Trainor for our 2013 audit, Kent Lindsay seconded. The motion passed as follows:

Ertel	Lindsay	Lucero	Johnson	Bridgewater
Excused	yes	excused	yes	yes

Also included with the new business was the management letter regarding our 2012 audit from Ms. Trainor as requested by Ms. Johnson. Ms. Johnson commented that it is unclear how we would address the internal control issue stated in the letter, segregation of duties, that bookkeeping functions should be done separately from cash and payroll management, as we only have one administrative staff personnel. We would have to hire an outside payroll company. Ms. Mimiaga explained that there were multiple bank accounts in the past, but they have all been consolidated so we work out of only one general fund now. And all credit cards have been canceled except for the First Bank cards and the Wal-Mart card. All financials are overseen by the Chief, and all deposits are filled out by Ms. Mimiaga and are double checked and made by the Chief. These are some of the checks and balances we have put in place so there is not just one person overseeing everything.

EXECUTIVE SESSION

There was no executive session.

ADJOURNMENT

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

Ertel	Lindsay	Lucero	Johnson	Bridgewater
excused	yes	excused	yes	yes

The meeting adjourned at 7:22 p.m.

Jim Bridgewater – President

Attest:

Kent Lindsay – Secretary/Treasurer