

**CORTEZ FIRE PROTECTION DISTRICT
REGULAR BOARD MEETING
July 12, 2017**

CALL TO ORDER and PLEDGE OF ALLEGIANCE

President Orly Lucero called the meeting to order at 6:20 p.m. in the meeting room at Station #1. Roll call followed after the Pledge of Allegiance and the board members present were Rodney Branson, Buck Woodman, Kent Lindsay, Sherri Wright, and Orly Lucero. Administrative Assistant Wendy Mimiaga, Asst. Chief Shawn Bittle and Chief Jeff Vandevoorde were also present.

APPROVAL OF THE AGENDA

Sherri Wright made a motion to approve the agenda for the July 12, 2017 Board of Directors meeting, Rodney Branson seconded. The agenda was approved on the following vote:

Branson	Lindsay	Woodman	Wright	Lucero
Yes	yes	yes	yes	yes

APPROVAL OF MINUTES

The minutes from the regular Board of Directors meeting, held on June 14, 2017, were brought before the board for approval.

Rodney Branson made a motion to approve the minutes for the regular Board of Directors meeting held on June 14, 2017, Sherri Wright seconded. The minutes for the meeting were approved on the following vote:

Branson	Lindsay	Woodman	Wright	Lucero
Yes	yes	yes	yes	yes

BILLS AND ACCOUNTS

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

Rodney Branson made a motion to accept the bills and financials including the supplemental list of bills, Buck Woodman seconded. The motion passed on the following vote:

Branson	Lindsay	Woodman	Wright	Lucero
Yes	yes	yes	yes	yes

PUBLIC COMMENT

There was no public comment.

CONSTRUCTION UPDATE

Virgil Gray, Building Division Manager for Weeminuche Construction Authority updated the Board on the progress of the new fire station. Mr. Gray reported that they have finally received the clearance

for the asbestos removal, and they have applied for a demolition permit from the State of Colorado. The State has up to ten (10) days for review, but said they expedite the permit.

All the excess material (fill) has been pulled off the site. It is believed that there will be enough, although they may need to bring a little back in. The foundation under the building is a crawl space, and therefore may take up more material than expected.

Approval from the city was granted to use eight (8) feet away from the curb on the north side for a space for dumpsters. As soon as the building is torn down they will be able to move in a construction trailer.

The next week or so will be slow until the building is removed. By removing the excess dirt they will be able to work on the grid line three (3).

There is a discussion about the design of the building with pipes going through the concrete without provisions to take care of the width of the walls. WCA was doing the work based on industry standard. Sam Proffer, Cortez Building Department, says that when passing through a foundation footing, you must have a two size larger sleeve. Everything has been sleeved that passes through, however now there is pipe that is contained in the concrete, not just passing through. WCA has submitted an RFI requesting a definition on this. There have already been forty one (41) RFI's on the project.

Chief Vandevoorde asked if it will have to be dug up. Mr. Gray explained that the discussion is always about the pipes that pass through the concrete (not actually contained in the concrete, and become part of the foundation). There is more pipe that is designed to be contained in the concrete walls that still has not yet gone in. A decision has not been made on what needs to be done. Mr. Proffer is saying it is against the building code, but technically it is not. The concern is the movement of the building, which could be as much as an inch. There is three (3) locations that might have to have some modification. Early on a modification was made for a short eight inch stem wall to change from masonry to concrete. This is what the discussion is, what is the foundation. Even though it was masonry, it was still part of the foundation. If you have a four (4) inch pipe and have to sleeve two sizes bigger with an eight (8) inch pipe, you will be outside the masonry units. There is another code that says you wrap with quarter (1/4) inch insulation to give the pipe its movement and protect it. This is the industry standard. This type of construction is not odd, and WCA has done it for several years. Before it was placed, the building inspector had done the rebar, and all inspections and said it was okay and was approved to place. They then reviewed the code and came back with the conflict. There is a little time to work this out, and they will work with Mr. Proffer for a solution.

The plans are still not complete. The architect has been working with them to get them out. No stumbling blocks as of yet, but it is a process.

Once the admin building is out of the way, things will move much faster.

CORRESPONDENCE

Included in the packet were inclusions from the Cortez Journal from May 12, 19, 26, 2017. Also, a thank you note from the Mancos Fire Department and Western Excelsior for our assistance with the fire.

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 \$268,846.24 to the district for the month of June, 2017. \$159,960.34 for the general mill levy, and \$108,885.90 for the additional mill levy.

The balance in the State Farm account, as of June 30, 2017, was \$983,855.49. Interest earned in June, 2017 was \$363.83. The interest rate remained at 0.45%.

The jumbo CD at 1st Southwest Bank of \$261,766.20, rolled over on February 14, 2017, at 1.25%, for three (3) years, earned \$276.62 on June 14, 2017, for an updated balance of \$262,803.25.

The \$250,000.00 CD deposited at the First National Bank of Cortez on February 14, 2014 for five (5) years with an interest rate of 0.98%, has a balance of \$258,071.96 as of June 6, 2017.

The \$300,000.00 CD deposited at the Community Banks of Colorado, now the Four Corners Community Bank, for five (5) years at 1.15% on April 13, 2015, has a balance of \$306,949.23 as of May 6, 2017.

It was reported that the total earned on the reserve funds for June, 2017 was \$640.45, and the total in the reserve accounts was \$1,811,679.93.

The unemployment rate increased to 4.4% in June while adding 222,000 jobs, more than expected. Job gains have averaged 194,000 per month over the last three (3) months. The labor force participation rate increased to 62.8% showing more people joining the work force. After the Federal Reserve increased the fed funds rate last month, they are expected to increase it another ¼ point at their September meeting.

REPORT FROM THE ASST. CHIEF

Asst. Chief Shawn Bittle included his report and a list of meetings, events and trainings he attended. Asst. Chief Bittle reported the drive operator class and promotional testing is complete.

We received a nice letter on our website regarding our website and the information available to the public. Asst. Chief Bittle has been working with the Geeks to get the construction camera on or website so the public can follow the progress of the station.

Facebook still doing well. Last month we reached over 2,400 people, had 17 new page "likes," and 284 post engagements. Our videos have been viewed 22 times.

We are still waiting to get the 'all clear' from the high school so we can continue training in the facility.

The fire academy is at the Pleasantview District for the month of July. They are half way through their class and have an overall 85% grade average.

The barn dance fundraiser for the 100 Club was held last weekend, July 8, 2017, at the Montezuma County Fairgrounds, and was very successful. There were over 120 people in attendance, and over \$5,000 was raised for the 100 Club. Asst. Chief Bittle thanked Sherri Wright for letting them borrow 500 bales of hay for the event.

REPORT FROM THE FIRE CHIEF

Chief Vandevoorde went over his report and list of meetings that were included in the packet. The Chief reported the asbestos removal is finally complete. We are now just waiting for the demo permit from the State of Colorado so the building can be torn down.

Administration meets for a construction meeting every Thursday afternoon with WCA, and our architects to go over the construction project. Things are going well.

Testing for the new Engineer positions was held on Saturday, June 24, 2017. The Chief congratulated Kaelee Allmon, Mike McCoach and Scott Heidergott on passing all portions of the test and being promoted to Engineer. The Chief thanked Asst. Chief Bittle for putting together a good test and

Chief Jeff Yoder, Chief Tony Aspromonte, Chief Mike Zion and Asst. Chief Ray Aspromonte for helping with the testing process.

President Lucero and the Board of Directors congratulated the firefighters on their promotions.

There were 181 calls during the month of June, 151 EMS calls, 18 fire calls and 14 vehicle accidents. The total calls for the year is 1,029. This is about 100 calls over the same time last year.

President Lucero has signed the contract with the City of Cortez, signing over the property at 928 S. Broadway to the City of Cortez. This is in trade for all permits and fees associated with the construction of the new station which could be upwards of about \$18,000.

NEW BUSINESS

2016 Audit – Heidi Trainor was present to present the 2016 Audit to the Board. A copy of the 2016 Audit was included in the packet. The overview was that everything looked good this year. There were no big changes, or unusual activity.

Page 8 shows the statement of net position, also known as the balance sheet. The cash has been broken into two (2) categories, cash that is unrestricted and cash committed for the capital improvement project which is the match for the DOLA grant. The property taxes were up in 2016 over 2015. The amount due from the pension fund is due to the way the pension payments are made. The District has to make to payments from the general fund and then is reimbursed from the pension fund. *(note: It is done this way due to Quickbooks only allowing you to have one bank account. Otherwise the pension account would have to pay for a separate accounting program.)* The expenditures that have been made for the new station are non-depreciable until they are put in service. The current liabilities show the accrued vacation and sick leave, and the capital lease that is due within one year, while the non-current are those due in more than one year. The net position shows the amount that is committed for the capital improvement project, \$1 million. This is no longer unrestricted or Board restricted.

Page 9 is the statement of activities, similar to the profit and loss statement. Expenses are allocated by function, administration, fire protection, training, equipment and station operations. These are all comparable to the previous year. The revenues are below, property taxes, etc. The grants were considerably less in 2016 than the prior year. The transfer to fiduciary funds is the transfer to the volunteer pension fund. The change in net position is less than the previous year due to the grants and more of a transfer to the pension fund.

Page 10, the balance sheet governmental funds, is the same thing as the statement of position, except that with government purchases, assets belong to the tax payer so they are not available for collateral. There is not any long term debt allowed unless voter approved. In government wide accounting, purchases or fixed assets are considered capital outlay and is an expense rather than capitalized on the balance sheet.

Page 12 the capital outlay shows \$237,556 under expenditures. For the statement of positions it is normally capitalized in fixed assets.

Page 11 is the reconciliation on the balance sheet. Convert from government wide to the statement of financial positions. It is the difference of those two items.

Page 14 is the balance sheet for the pension fund. It also shows the \$9,294 due to the general fund for the pension payments made. There is also a payroll liability for a withholding that is made of one pension recipient.

Page 15 is the profit and loss for the pension fund. There was a slight increase for the District contribution, and the portfolio did very well this year. The benefits were up in 2016 due to the increase in the benefit mid-year.

Page 16 is the notes to the financial statements to help the reader understand the general operating policy and procedures, and which accounting policies have been adopted.

Page 22 is the notes on the cash investments. It also discloses the reconciled amount the bank has. All monies are protected by the State of Colorado through the Colorado Public Deposit Protection Act (PDPA).

Page 23 shows the credit risk and the money invested in the federally backed government mortgages and mutual funds.

Pages 24 and 25 shows the detail of the amounts invested.

Page 26 is the detail on the fixed assets. The capital assets not being depreciated is the construction in progress. This is where the new station will be shown until the building is completed. Then it will be moved to capital assets being depreciated.

Page 28 is the disclosure on the vacation and sick leave policy and the amounts that were accrued for the year.

Page 29 and note 5 begins the pension plan, and the disclosures for GASB 68. In 2008, with the bad economy, a lot of pension plans lost a lot of money. The liability associated with projected benefits became tremendous. That was when the accounting community decided that it needed to be disclosed.

Page 30 and 31 shows that due to the change in the benefits, the increase given in May, 2016, it has changed the pension liability. The unfunded pension liability was \$707,331, but has now increased to \$947,648.

Page 34 discloses the new building and where the money will come from.

Page 35 is the budget to actual disclosure, and shows that the actual came in better than the budget.

Page 39 We are required to disclose, for the pension, the District contributions and the schedule of funding progress and all the changes in the pension liability.

Pages 40 and 41 are the schedules of changes in the Districts net pension liability.

Ms. Trainor explained that they have to rely on the actuarial reports for the pension information.

For the audit, one of the first things that is done is to look at internal control. This will show the weaknesses of the organization and where improvements can be made. There was nothing materially wrong, but it was shown that some checks were deleted after the bank reconciliation was done, therefore it is not actually reconciled. If this occurs, it is recommended that the reconciliation be un-done, include the entry and then reconcile. The checks should be voided and not deleted. If the check is deleted then there is no audit trail.

Kent Lindsay made a motion to accept the 2016 Audit, Buck Woodman seconded. The motion passed on the following vote:

Branson	Lindsay	Woodman	Wright	Lucero
Yes	yes	yes	yes	yes

Mr. Lindsay informed the Board that CDOT and the City of Cortez are planning a series of meetings for downtown for the median improvement between Ash St. and Elm St. His concern is that was always an outlet for fire, EMS and law enforcement when things were stacked in the lanes. Mr. Lindsay asked if it is a concern. It will shut off about half of the center lane. It is proposed for beautification and to help slow down traffic.

The Board discussed the safety issues associated around the proposed median and emergency service. The Chief pointed out that with the median, if there is an incident and nowhere for traffic to go, they will have to shut down the street. And what about snow removal.

A flyer with the upcoming scheduled meetings for the downtown safety streetscape improvements phase I was handed out.

Mr. Branson suggested the Board draft a letter stating their concerns and/or have the Chief attend the meetings. It was decided the Chief will attend the meetings to get more information and bring to the next Board meeting, August 9, 2017.

Ms. Wright brought up at the June 14, 2017 Board meeting, she felt there were a lot of questions (*based on procedure i.e executive session*), and pointed out there is a section on executive session with the information explaining such in the Board books. Ms. Wright strongly recommended the Board should have a Board training.

President Lucero commented that he thought everything was now clear regarding the procedure and a Board training was not necessary. The Board agreed.

President Lucero brought up the change in the Board books being delivered on Monday now instead of Friday, and if the rest of the Board was okay with the later delivery date and if this was enough time for the Board to review the packet. *(This was requested and discussed at the January 11, 2017 Board meeting. The Board was in agreement.)* The Chief explained this gives administration a little more time to receive information and the bills and bank statements in the mail to better report to the Board for their review. Otherwise, more financial information is handed out at the beginning of the Board meeting without much time for the Board to look it over. The Board stated that the Monday delivery date was still okay.

OLD BUSINESS

There was no old business.

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, Rodney Branson seconded. The motion passed as follows:

Branson	Lindsay	Woodman	Wright	Lucero
Yes	yes	yes	yes	yes

The meeting adjourned at 7:15 p.m.

Orly Lucero – President

Attest:

Kent Lindsay – Secretary/Treasurer