

**CORTEZ FIRE PROTECTION DISTRICT
REGULAR BOARD MEETING
July 8, 2015**

SWEARING IN OF NEW BOARD OF DIRECTORS MEMBER

Board President Orly Lucero administered the Oath of Office, pursuant to C.R.S. 32-1-901 and Colorado Constitution Article 12, to new board member Buck Woodman.

CALL TO ORDER and PLEDGE OF ALLEGIANCE

President Orly Lucero called the meeting to order at 6:48 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, Sherri Wright, Kent Lindsay, Buck Woodman and Orly Lucero. Administrative Assistant Wendy Mimiaga, Asst. Chief Charles Balke, Chief Jeff Vandevoorde and Heidi Trainor, C.P.A., were present for the meeting.

APPROVAL OF THE AGENDA

There were no changes or additions to the agenda for the Board of Directors meeting, July 8, 2015.

Sherri Wright made a motion to approve the agenda for the July 8, 2015 Board of Directors meeting, Lori Johnson seconded. The agenda was approved on the following vote:

Johnson	Lindsay	Woodman	Wright	Lucero
Yes	yes	yes	yes	yes

APPROVAL OF MINUTES

The minutes from the regular meeting, held on June 10, 2015, were brought before the board for approval.

Sherri Wright made a motion to approve the minutes for the regular Board of Directors meeting held on June 10, 2015, Lori Johnson seconded. The minutes for the meeting were approved on the following vote:

Johnson	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. Ms. Wright asked why we purchased and replaced all the SCBA masks. Asst. Chief Balke replied that it was part of the AFG grant.

Ms. Johnson inquired about the HCN Monitor. Chief Vandevoorde explained it is four (4) HCN meters and a calibration kit, used on the fire scene. Ms. Johnson also asked about a \$1,493.86 charge to Contfire.com on the Department Visa Card, which was for RIT bags and rope. And the credit on Asst. Chief Balke's Visa Card, which was from the credit from when his card was 'hacked' and then subsequently replaced.

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

Johnson	Lindsay	Woodman	Wright	Lucero
Yes	yes	yes	yes	yes

PUBLIC COMMENT

Adam Kennedy, a firefighter with the District, directed a question to Ms. Johnson regarding the interviews for the vacant Board seat. Mr. Kennedy indicated that Ms. Johnson asked candidate Mr. Jim Candelaria if he could differentiate between Farmington and Cortez, and there was a problem with the 'Farmington guys.' Mr. Kennedy then asked what Ms. Johnson was referring to.

Ms. Johnson responded that the question she asked of Mr. Candelaria was "can you set aside your years of service with Farmington and become Cortez Fire because we do not do things the same way." A different version of the question was asked of some of the other candidates depending on their background.

Mr. Kennedy again asked what was meant by the statement that there was a problem with the 'Farmington guys.'

The Board responded that they do not believe that statement was made. Nothing was ever said that there were problems with Farmington.

Mr. Kennedy continued that he was told something like that was said, maybe not that verbatim.

Ms. Wright offered that possibly the candidates perception was different from what was intended.

Ms. Johnson reiterated that there was no intention to say anything about the 'Farmington guys,' the question was related to the fact that we are not Farmington and do not have the budget they have and can therefore not operate in the same manner.

Mr. Kennedy continued on the subject that Ms. Johnson has a grudge or problem with the 'Farmington guys' and that Ms. Johnson was alluding to 'something' that she would not tell him.

Ms. Johnson, once again, stated that this was not the case.

CORRESPONDENCE

Included in the packet were inclusions from the Cortez Journal from June 19, 23, 2015, and a thank you letter from United Blood Services for the success of the recent blood drive.

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 \$259,934.98 to the district for the month of June, 2015. \$150,641.68 for the general mill levy, and \$109,293.30 for the additional mill levy.

The business money market account at 1st Southwest Bank had a balance of \$129,830.08 as of June 30, 2015 with Interest earned in June, 2015 of \$28.45. The annual percentage yield remained at 0.25%, and the interest paid year to date was \$160.47.

The 3 year jumbo CD of \$257,092.42 at 0.60% earned \$132.02 on June 13, 2015. Total interest paid year to date is \$774.14, with the total interest paid on the CD to date being \$2,057.83 for an updated balance of \$259,150.25

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% is only reported quarterly. The last quarterly interest payment

was made on May 14, 2015 of \$603.27. The total earned on the CD is \$3,062.29 for a current balance of \$253,062.29.

The balance in the State Farm account, as of June 30, 2015, was \$547,294.70 with interest earned in June, 2015 of \$247.35, and year to date \$2,017.38. The interest rate remained at 0.55%.

\$300,000.00 was deposited in to a five (5) year CD at 1.15% at the Community Banks of Colorado on April 13, 2015. We have not yet received a statement for this account. The total in the reserve accounts is \$1,489,337.32.

A current update on the economy was included in the report. The jobless rate fell to 5.3% in June, the lowest it has been in seven (7) years, adding 223,000 jobs. The U.S. economy is in good shape, but the Fed is keeping an eye on the financial situations abroad. This could postpone an increase in short term rates, but most still suggest a rate hike will occur in September, 2015.

It was explained that the change in interest rates will be in the short term rates, and will take time to trickle down to the CD rates we are invested in. The interest rates to bowwow money will probably increase sooner than the rates paid.

REPORT FROM THE ASST. CHIEF

Asst. Chief Balke included his report in the packet along with a list of the trainings, meetings and events he attended, as well as several projects he has been working. The Aggressive Assailant Table Top exercise was the where the match box cars and little police officers, purchased through Amazon, were utilized. They will be used again in an upcoming haz-mat training tabletop.

Asst. Chief Balke announced that we have received tentative approval for \$64,000 for haz-mat equipment through Southwest All Hazards committee. This was submitted on behalf of Montezuma County to improve the haz-mat trailer the District maintains on behalf of the Montezuma County Fire Chiefs.

The Pump testing is completed, a couple of valves need to be replaced, and the issues with Engine 1, the KME, are being addressed with the manufacturer. Mr. Lindsay asked who did the pump testing. It was Ray Aspromonte in Mancos, in conjunction with the District's crew.

Asst. Chief Balke reported that the District has been doing trainings with the Sheriff's office, fire extinguisher training, haz-mat awareness training. They will then do crime scene preservation training for us. The Asst. Chief is also looking into doing the same trainings with the Cortez Police Department.

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

President Lucero inquired about the meeting with DOLA, June 29, 2015. Asst. Chief Balke explained that he and Ms. Johnson will be presenting a grant to DOLA later in the month, to add an additional 800 megahertz tower in our area.

REPORT FROM THE FIRE CHIEF

Chief Vandevoorde went over his report and list of meetings that was included in the packet. Chief Vandevoorde reported that Corey Adamy has submitted his resignation and has

accepted a position with the Upper Pine Fire District. Mr. Adamy has been a fulltime firefighter with the District for the past two (2) years. Internal testing will take place to fill the position.

There were 187 calls during the month of June, 155 EMS calls, 20 fire calls and 11 vehicle accidents, for a total of 977 calls for 2015.

Chief Vandevoorde asked the Board to put the Fire Chief's evaluation on the agenda under Executive Session for the August 12, 2015 Board of Directors meeting. A copy of the Chief's evaluation that was used last year was included in the packet. This will give the Board a month to review and prepare for the evaluation.

Mr. Lindsay offered that the Board members could fill out the evaluation form and turn it in to President Lucero, who could then go over it with the Chief. The Board, and the Chief, decided that the whole Board should be present. President Lucero asked that a reminder about the Chief's review be sent out via e-mail to the Board.

A list of the fire inspections done by Sean Canada for the month of June was also included in the packet.

NEW BUSINESS

2014 Audit – Heidi Trainor, Auditor for the Cortez Fire Protection District, started with a brief explanation about the FPPA audit that was performed earlier in the year. The 'program' for the audit was handed out to the Board. This is a document that explains and outlines the procedures necessary for the audit, to make sure the Fire District is in compliance with the census data. The District was in compliance, and such was reported. This will give the Board an idea of the work that was done since there is not an actual 'report' that is generated. In addition, when the Auditor has their Peer Review, the program is then compared to the actual work done.

Ms. Trainor continued with the Internal Control memo for the 2014 audit. This consist of items of internal control that have come up in the process of performing the audit. These items do not have a material effect on the audit, but they could. Most importantly the reconciliation process, i.e. after a bank statement has been reconciled, and a check is entered into the register thereafter. This should be avoided.

Ms. Trainor continued with the audit showing that the cash positions were up due to the mill levy increase passed in 2013. Everything else was comparable to the previous year. The payroll liabilities were higher in 2013 vs. 2014 due to the timing of payroll. The net positions show the amounts restricted by the Board, as well as the amounts restricted by Tabor, 3% of expenditures. The unrestricted portion shows a much better position in 2014 vs. 2013.

The statement of activities, the revenue and expenses, shows the property tax revenue up \$361,000, and the S.O. tax up \$30,000 over the previous year. (due to the increase in the tax levy)

The statement of revenues and expenditures shows that the majority of the increase in revenues went to fire protection and programs. This is what tax payers would want.

On the notes to the financial statement, the first few pages address the accounting policies that are required for special districts and the Colorado Statue in terms of budget.

The cash and investments shows a detail of the cash position of each account and investment, i.e all CD's are shown together, the cash with the county treasurer, the amount of money that is levied in one year, but paid the next year, the disclosure on the deposit protection required by the State of Colorado, and the investment and credit risk on the investments.

The fixed assets show \$38,439 in land that is not being depreciated, and the buildings, equipment and software that is being depreciated. There was \$171,041 in depreciation in functional expenses for the District.

The budget to actual comparison shows that the District was better than budget by \$372,259, well within the state requirements.

(note: the pension trust fund as it relates to the audit was discussed during the Pension Board Meeting prior to the Board of Directors meeting.)

Lori Johnson made a motion to accept the Basic Financial Statements and Auditor's Report for the years ended December 31, 2014, Sherri Wright seconded. The motion passed on the following vote:

Johnson	Lindsay	Woodman	Wright	Lucero
Yes	yes	yes	yes	yes

Ms. Trainor stated that she would file the report with the State the next day, July 9, 2015.

OLD BUSINESS

2015 Audit RFP – A copy of the proposed RFP for 2015 Audit services was included in the packet. Chief Vandevoorde pointed out some highlighted areas that needed the Boards attention. The first was the deadline for the proposals to be returned, and the length of time for the contract, five (5) years, as recommended by the Government Finance Officers Association. President Lucero asked if the contract can be reviewed and approved each year for the (5) year duration. It would depend on how the contract is written.

Sherri Wright made a motion to accept the 2015 Audit RFP, Lori Johnson seconded. The motion passed on the following vote:

Johnson	Lindsay	Woodman	Wright	Lucero
Yes	yes	yes	yes	yes

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, Sherri Wright seconded. The motion passed as follows:

Johnson	Lindsay	Woodman	Wright	Lucero
Yes	yes	yes	yes	yes

The meeting adjourned at 7:30 p.m.

Orly Lucero – President

Attest:

Kent Lindsay – Secretary/Treasurer