

BATTLE CREEK FIRE PROTECTION DISTRICT
MINUTES OF THE JULY 25, 2017, MEETING

John Esposti called the meeting to order at 8:00 PM. All the newly elected board members, who are identified in the next section, attended the meeting, along with Matt Roder, the new interim Fire Chief at the Hayward station; Jay Van Hunnik (Hayward); Venessa Row (Keystone); and Leslie Hammack (Hayward).

ELECTION RESULTS The newly elected members of the first Board of Directors for the new Battle Creek Fire Protection District are Jim DeHaai (Keystone), John Esposti (Hayward) and Leo Van Sambeek (Hermosa), who agreed to serve two-year terms, and Dave Cofoid (Keystone), Butch Reder (Hermosa), and Ray Summers (Hayward), with one-year terms.

NOMINATION OF NEW OFFICERS—Leo Van Sambeek nominated Jim DeHaai as Board President, seconded by Ray Summers. Jim nominated John Esposti, who declined. After discussion that included Jim's relevant previous experience with the paid-fireman model and a comment by Leo that Ray needs to be chairman-in-study for future service, Leo moved to cease nominations, seconded by Butch Reder. Leo moved, seconded by John, to accept the nomination by unanimous acclaim. Jim is the new Board President. Dave Cofoid nominated John as vice president, and Leo nominated Ray. Ray was elected Board Vice President. Butch nominated Leo as secretary/treasurer, with a second by Jim. Leo expressed some concern regarding the treasurer part of the job but accepted the nomination. John called three times for more nomination and then moved to accept the nomination by unanimous acclaim, seconded by Ray.

APPROVAL OF DISTRICT MINUTES—No minutes yet exist to approve.

TREASURERS' REPORTS

—HAYWARD—John reported the following current figures: \$44,955.86 in the district's bank account; departmental funds of \$74,513.39 in capital outlay and \$2467.74 in operations; and \$21,730.01 in the volunteer firefighters' account, much of which is committed to the Hayward Cemetery project. Hayward has no debt other than the \$20,500 annual payment on the fire hall.

—KEYSTONE—Venessa Row reported that the board has \$53,886.91 in the bank. Jim reported the following approximate figures for the Keystone departmental accounts: \$80,000 in the travel fund, \$9000 in a separate account, and \$10,000 in the firefighter volunteer account. Keystone has no debt.

—HERMOSA—Leo reported a checking account figure of \$53,224 for operations and a saving account figure of \$172,300 for capital outlay, with total account assets of \$225,525. Year to date, Hermosa is approximately \$4000 behind in budget, but this figure swung the other way during the last month. Hermosa has no debt. The Hermosa firefighters' account contains \$50,000. This account is equivalent to the volunteer accounts. These two types of accounts come from donations, can be used for purposes inappropriate for tax money use, and should stay, as generally agreed, with each individual fire station for its use. Hermosa has no debt.

OLD BUSINESS—None.

NEW BUSINESS—Jim opened with a review of the latest budget: \$323,000 for operations in 2018. Valuations for 2016 totaled 328,000,000, with an expected increase to 328,000,000 in 2017.

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These valuations and a 1.0-mil tax levy would provide tax income of 328,000 and 338,000, respectively, which would be the caps imposed on operations by state law via the 1.0-mil cap on tax monies spent for operations. This tax income should be enough, although this latest budget does not appear to include the \$20,500 annual debt payment (capital outlay) on the Hayward fire hall. More information appears necessary to vote on a mil levy for the new district. Butch wants to see a revamped budget and does not want to have to immediately dip into reserves, which currently total approximately \$320,000, although that is an option for capital outlay just this one year. A mil levy of 1.05 would generate a cushion to cover the \$20,500 loan payment, but without a provision for projected growth. Leo, Butch and Ray see the 1.0-mil levy as the ceiling (this amount is already a 50% tax increase for Hermosa). Jim noted that a certain amount of funding always has to come from fire pay. Butch thinks that a new budget is required from the fire chiefs (Paul Johnson, Corey Jonas and Matt Roder) and soon. Dave added that the new budget has to be based on taxes.

The salaried personnel will be in the SD retirement system, with the state and department each paying either 6 or 8% each. No health care is provided. Workman's comp is in the budget. Ray asked what software is used for the budget. Leo indicated that QuickBooks online is used by Hermosa, although not for very long. QuickBooks requires a \$200 or \$300 annual subscription. Butch mentioned that a line item budget would be good, as this approach really assists with planning. Keystone uses an Excel spreadsheet.

Jim will speak with Julie Pearson, the Pennington County Auditor, before the mil levy is set to determine how to handle the operations/capital outlay split. Jim, Butch and Leo think that the debt service has to be included in the budget. The fire chiefs need to have a firm budget prepared by August 10, 2017. Leo wants details and would like to sit in with the fire chiefs when they discuss the budget.

ITEMS FROM CITIZENS—None.

SCHEDULE NEXT MEETING—The board will meet again on Tuesday, August 15, 2017 at 7:00 PM at the Hayward fire hall after the fire chiefs have had an opportunity to further work on the budget.

FIRE CHIEF DUTIES, BOARD BANKING—Ray asked whether a job description exists for the new Battle Creek Fire Chief, a position budgeted at \$14,000 annually. Ray thinks that defining the expectations for the new fire chief is the job of the board, not the current fire chiefs. The duties of the chief need to be defined before the budget can be finalized, and some of the potential duties could be assignable to the salaried people. Considering the budget uncertainty, Ray moved, seconded by Leo, to defer the setting of the mil levy until the August 15 meeting.

Jim recommends using one bank for both the board and department accounts holding taxpayer funds to facilitate rolling money directly, perhaps monthly and when funds are low, from the district to the departments. Fire pay can go into a separate general account, and the fire stations can handle their own firefighter accounts. The Keystone Fire Chief now writes the checks, whereas Butch indicated that the Hermosa Fire Board does so, except for special requests. The chief uses a spread sheet at each board meeting to explain where the money is going. One person should write the checks for all three stations, and the board needs a mechanism to watch the process.

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Keystone now uses Black Hills Community Bank, and Hayward uses First Interstate Bank. Leo noted that one advantage of First Interstate use is that account data can be downloaded directly into QuickBooks. The annual fee for this software depends on the number of passwords and simultaneous users required. Another consideration in choosing a bank is the credit limit on their debit accounts because the cost of certain items, such as gas, adds up fast. A debit account with a high limit would be desirable, especially compared with the accounting nightmare of dealing with multiple personal cards. Leo will check on the debit card credit limits offered by First Interstate Bank.

Jim indicated that Paul and Corey are two likely nominees for the fire chief position. Ray thinks that the decision to advertize or remain within house is a decision that is up to the board. Dave noted that it would be nice to have inside guys. After discussion, the board decided that it must make decisions regarding a proper job description before deciding whether to stay in-house or additionally solicit outside applicants. Butch suggested completing the job description, interviewing in-house and opening up the process if the in-house option proves untenable. Jim noted that Corey is now making a much higher salary than is currently budgeted for the Battle Creek Fire Chief. Paul is also planning to move to Aberdeen, eventually anyhow, and currently has a full-time job. In response to a query by Leo regarding who will write the job description, Butch offered to pull some generic fire chief job descriptions off the computer as a starting point.

Leo also asked whether the current districts and fire departments should be audited before the consolidation, as directed in the interim MOU. Discussion led to the decision of auditing 2016 and 2017 to date, looking only at the books, and having a business like Casey Peterson conduct the audit. Leo has a contact at Casey Peterson and will check about the auditing, which could be expensive.

Butch asked whether the new board should meet monthly. A monthly meeting, at least initially until things settle, was generally considered a good idea. Hermosa is thinking of hiring by January 2018. Forming a hiring committee at the next meeting would be a good idea. Jim also mentioned that the titles to the vehicles and building also need to be re-titled. Ray brought up the question of signage changes at the individual stations. The consensus was that the station names will not change, only the district name.

ADJOURNMENT—Dave made a motion to adjourn, seconded by Butch. The motion carried, and the meeting was adjourned at 9:57 PM.