

Battle Creek Fire District

September 14th, 2017 Regular Board Meeting Minutes

A regular meeting of the Battle Creek Fire Protection District Board of Directors was held on September 14th, 2017 (7:00 PM) at the Hayward fire station. All directors were in attendance, including Jim DeHaai, John Esposti, Butch Reeder, Ray Summers, Dave Cofoid, and Leo Van Sambeek. An agenda was distributed by Board President DeHaai.

Secretary's Report from the August 15th, 2017 meeting had been distributed earlier by email to each Director. Motion by Esposti and second by Reeder to accept the minute as distributed; motion carried unopposed.

No formal BCFD's Treasurer's Report because the three districts' finances are not yet merged. Each of the three district's representatives indicated that no major change in financial situation had occurred in their respective districts: just normal income and expenditures. Van Sambeek reported that two checking accounts with debit cards for each were opened at Great Western Bank: a district operations account and a district contract-fire account. The debit cards have defaults of a daily limit of \$5,000 on charges and a \$500 limit on cash withdrawals. Note, this are not the fire-department accounts, which still need to be opened.

John Esposti reported the Hayward Fire Station loan with USDA (annual payment of \$20,402 on the original principal of \$389,200 at 4.25% annual interest rate) has a requirement for building an emergency-payment account at the rate of \$2,000 per year until sufficient to cover an annual payment. Because of an oversight, this has done been done. Consensus of Board was that part of combined funds from the merger be specifically designated (reserved) for this account, perhaps designating a certificate of deposit (CD).

Summers moved with second by Cofoid to formally adopt the 2018 expense budget of \$359,000 proposed by the fire chiefs at the August 15, 2017. Discussion included that our tax mil-levy request for a total of 1.00 mils was accepted by Pennington County. BCFD can internally divide the tax revenue as capital outlay as necessary for \$20,402 (Hayward building payment) and the remainder for general fund (operating). The understanding was that this tax request will collect approximately \$338,000 and the remaining \$21,000 to cover the expense budget must be earned from contract firefighting. The motion passed unopposed. Van Sambeek agreed to separate the adopted expense budget into items that are directly the district's responsibility (for example, building payments, building and fleet insurance, bonding, etc.) and those paid indirectly through fire-department transfers (for example, fire chief and stipend labor, utilities, fuel, supplies, repairs, etc.).

Ms. Deidre Budahl, Casey Peterson Associates (CPA), addressed the board about conducting pre-merger audits of the three districts and the three fire departments. Her basic recommendation was that each district and fire department opens their financial records to CPA for inspection, and CPA would then recommend the audit procedure (type and level of detail) they deem appropriate. The audit procedure could be different for each district or even each department. The "audit" recommendation should also consider how to treat

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inventories, payroll, and debt instruments. Motion by Summers and second by Reeder to authorize CPA to inspect the financials of each of the fire districts and their respective fire departments and propose an appropriate pre-merger audit procedure for each. The pre-merger audit should focus on items that could affect BCFD's future operation or obligations and be within an average cost of \$2,000 per district (including its fire department). The audit period would be limited to October 1, 2016 to September 30, 2017 for normal financial transactions, but would extend back for longer-term obligations or commitments. The motion passed unopposed.

The Fire Chief job-posting was published with a response deadline of September 13, 2017. Two applications were received before the deadline: Cory Jonas (Keystone FD) and Paul Johnson (Hermosa FD). An interview committee was established consisting of Directors Cofoid, Reeder, and Summers with an invitation to Jerome Harvey (the Pennington Co. Fire Coordinator). The evening of October 12th was proposed for the interviews with a recommendation being made to the full Board's next meeting.

A short discussion followed on the unsigned agreement proposed by Department of Interior for fire and emergency services at Mt. Rushmore and that none of DOI's "in-lieu of taxes" payments are ever paid to the fire district. This was a continuation from the previous meeting, and Cofoid and Summers will continue to pursue the district receiving a portion of DOI's payment.

Short discussion on several items then transpired:

- Hail-damage claim for the Hayward building and one engine is still pending;
- Pre-pay for 5,000 gallons of propane (total for all three departments) will be made by Hermosa;
- Public notices for Fire Chief job posting were paid by Keystone (\$90.25 and \$71.36);
- Van Sambeek used personal money for \$50 initial deposits to open the BCFD accounts;
- Consent to a request for Fire Chief to inspect a church in Hermosa for insurance purposes; and
- Hermosa District has a new laptop computer that BCFD will inherit for accounting and records.

No other items brought forth for business. After discussion of dates, October 19th, 2017 at 7:00 PM was set for the next Board meeting. Meeting adjourned at 9:30 PM.

Respectfully submitted,



Leo L. Van Sambeek
Secretary-Treasurer

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