

Battle Creek Fire District

October 19th, 2017 Regular Board Meeting Minutes

A regular meeting of the Battle Creek Fire Protection District Board of Directors was held on October 19th, 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 September 14th, 2017 meeting had been distributed earlier by email to each Director, but the minutes were read aloud for the benefit of everyone in attendance. Motion by Cofoid and second by Esposti to accept the minute as read; motion carried unopposed.

No formal BCFD's Treasurer's Report was presented 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 with two exceptions. Van Sambeek reported that the Hermosa FD prepaid \$7000 for propane for all three fire halls, and DeHaai reported that Keystone FD deposited \$5000 into the BCFD operations account. Tax proceeds will continue to be deposited to the three districts until February 2018, when they will begin to be deposited directly into the BCFD account. The "round number" financial status of each district is Keystone at \$118,000, Hayward at \$77,000, and Hermosa at \$178,000. Our tax mil-levy request for a total of 1.00 mils was accepted by Pennington County. This tax request will collect slightly more than the \$338,000 anticipated, but will still be less than the expense budget.

Regarding the pre-merger audits, Hermosa had earlier turned its financial records over to Casey Peterson & Associates (CPA) for its pre-merger audit. Hayward had turned their records over the day of the meeting, and Keystone was preparing to turn theirs over the day after the meeting. It was noted that the audits were to include both the Districts' books and the respective District's money directed into their firefighter (or fire department) accounts. Deidra Budahl, CPA, stated that a feature of the audit will be a report to the Board with verification that no tax revenue has gone into the firefighter or department accounts without being appropriately spent for firefighting expenses or capital outlay. Van Sambeek noted for the record that he had signed (and earlier distributed to the Directors) a time and materials agreement with CPA to set up the QuickBooks template for District's and Fire Department's accounts.

John Esposti reported further information on the Hayward Fire Station loan with USDA (annual payment due February 12th of \$20,402 on the original principal of \$389,200 at 4.25% annual interest rate) has a current principal balance of \$361,998.73. According to USDA, our emergency-payment account should have a balance of \$16,321.60 as of December 13, 2017. One of the Hermosa certificate of deposit (CD) has a principle of \$20,045 and it will be designated as being the required emergency-payment account.

Discussion followed on the unsigned agreement proposed by the 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. Jerome Harvey (Pennington County Fire Coordinator) thinks only about \$1200/yr. based on acreage might be up for consideration. Consensus was to ask the Mt. Rushmore Supervisor to make the calculation of what in lieu of taxes revenue would be appropriate for the BCFD and for the Park Services to make such request to Pennington County Commissioners on our behalf. The mutual aid agreement proposed by Mt. Rushmore will need to be "negotiated" anyway, as it now needs to be with the BCFD instead of the Keystone FD.

Battle Creek Fire District -- P.O. Box 675 -- Keystone, SD 57751

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As reported last month, two candidates responded to the published Fire Chief job-posting: Cory Jonas (Keystone FD) and Paul Johnson (Hermosa FD). Both applicants were interviewed by an interview committee consisting of Directors Cofoid, Reeder, and Esposti and Jerome Harvey (the Pennington Co. Fire Coordinator). The Committee's report was heard in an executive session called to discuss personnel. Following the executive session, Van Sambeek moved and Cofoid seconded that the Board accept the interview committee's recommendation and offer the Fire Chief position to Paul Johnson – the motion passed unanimously.

Motion made by Esposti with second by Reeder to formally adopt and sign the By-Laws as presented and discussed at previous meetings. The By-Laws were unanimously adopted and appropriately signed with the original copy designated for the District's records file. A Memorandum of Understanding (MOU) between the District and the Fire Department was signed by the Board President DeHaai and the Fire Chief Johnson. This MOU had been distributed and reviewed earlier.

Discussion that Steve Monteforte should be asked to prepare a "public affairs announcement or press release" describing the merger of the three districts. It seems that several other districts are interested in the process we used and our early-on perceptions of success. Paul Johnson volunteered to coordinate the announcement/release and will be assisted by Jerome Harvey.

A discussion then ensued on the insurance payment from hail damage to the Hayward fire hall and truck. The claim is still not settled, but the Hayward truck was totaled and will be sold after removing its tires, wheels, and siren which will be installed on Keystone's engine. Additionally, the other departments also have surplus equipment (Keystone's 1999-F350 Type 6, the Hayward #9 Deuce in Spokane, and the equipment off Hermosa's Brush #5 6x6 – State-owned chassis). The proceeds from any sales would be placed in the truck replacement account. Motion by Summers with second by Cofoid to declare the three vehicles as surplus and authorize their sale – motion passed without opposition. Mention was made that money from Hayward's earlier sale of two trucks and a trailer was in their capital outlay account and those dollars would be transferred in the merger.

Short discussions and actions on several items included:

- Summers volunteered to contact the Secretary of State to determine the need for incorporation of the new district and/or the new fire department and whether or not they can be registered as 501.3(c) organizations.
- Jim Postman, who has been filing Keystone's payroll taxes, will be asked to come to the next meeting to discuss being hired as the BCFD Accountant for similar duties.
- Expectation is that Garrett Dixon will be the Financial Officer for the Fire Department and he will work with Van Sambeek on transitioning to an online QuickBooks system being prepared by Casey Peterson and Associates.
- The Directors requested Paul Johnson to arrange an "eye-opener" tour of the BCFD's variety of land and structures from the Cheyenne River to Mt. Rushmore and to inspect the District's fire halls and equipment.
- Paul Johnson discussed his intent to institute an end-of-day email within the district that communicates such information as calls answered, maintenance performed/needed, training performed, etc. The daily email would be sent to Department personnel and the Directors with a monthly synopsis for the Director's records.

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- After Summers raised the question, Paul Johnson reported that the Directors are currently covered by Directors and Officers (D&O) insurance through Pennington County. However, the BCFD Treasurer (Van Sambeek) still needs to be bonded separately.
- Esposti mentioned that at a recent Hayward Board meeting a district patron reported their fire-protection taxes were going to Custer County's fire fund rather than the Hayward fire district. Patrons should be advised to check their assessment cards from their counties for a similar error.

No other items brought forth for business. After discussion of dates, December 5th, 2017 at 7:00 PM was set for the next Board meeting. Meeting adjourned at 8:47 PM.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Leo L. Van Sambeek". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Leo L. Van Sambeek
Secretary-Treasurer

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