

Evergreen Fire District Board of Trustees Regular Meeting

Meeting Minutes
Regular Board Meeting of October 03, 2016

Board members present: *Jack Fallon, Shawn Baker, Dave Adams, Dave Edwards*

Board members absent: *John Foust*

District Staff/Employees: *Fire Chief Craig Williams*

Public Attendance: *Tom Hodges, Cole Williams*

MEETING OF OCTOBER 3, 2016 CALLED TO ORDER AT 4:25 P.M.

PUBLIC IN ATTENDANCE RECOGNIZED:

Jack Fallon calls meeting to order and recognizes public in attendance: Tom Hodges and Cole Williams

PUBLIC COMMENT:

(none)

At this time, public may comment on any public matter that is not on the Agenda of the Meeting and that is within the jurisdiction of the District.

FINANCIALS:

1. Discuss and Approve July & August Financials
There is some discussion about Google Drive and not being able to see August financials. Reconciliations for August are there but not the financials. July Financial were initially put in "FY 2017" but has since been changed to "July 2016".

Dave Adams moves to approve the July financials; seconded by Shawn Baker; motion approved unanimously.

PAST ITEMS/UPDATES:

1. Discuss and Approve July & August, September Meeting Minutes

Dave Adams made motion to approve meeting minutes of July 11, August 1 and September 12; seconded by Shawn Baker; motion approved unanimously

2. 7204/9428 Due From/Due To Discussion

Jack: One thing I was trying to do is try to print what I had here but I can't do it on this computer. We had talked about what is needed to do without any...well I will just read this to you or we can just put it up on the screen (*Craig states minutes are verbatim*)... no, this is what I was writing for what might consist of a resolution for it. So, it would be where as the District incurred \$167,000.00 payroll liability taxes to federal and state governments for nonpayment of withheld income tax and payroll tax for at least Fiscal years 2012 to 2014. This amount was paid during the second half of fiscal year 2014 from the Ambulance Fund with cash primarily from 7204 and partially from 7207. Whereas, payroll tax liabilities (*inaudible*) employee wages attributable to 7204, 7207 and 9428. Whereas, the auditor prepared a review of payroll taxes and liabilities paid in fiscal years 2014 and 2015 and determined there is a liability due to 7204 from 9428 of \$75,011.00. This is the net of the total payroll liability less (\$167,000.00) minus the 2014 payroll taxes owed by 7204 to 9428 of \$29,639.00 and EMS funds fiscal year 2015 of \$63,295.00 owed by 7204 to 9428. Whereas, there may be additional off-setting transfers that may exist from 7204 to 9428 for fiscal years 2012 and 2013, the cost and time to audit the respective years to determine the possible actual amounts may take at least 6 months and \$10,000.00 contracted accountant time. Therefore, the District Trustees approve the transfer of \$55,000.00 from fund 9428 to 7204 for transfer to CIP fund 7250 to settle past accounting differences from which funds paid to delinquent payroll taxes for fiscal years 2012-2015. This action approves the transfer of \$63,295.00 from fund 7204 to 9428. Now if I can print this off, we can all have it. We can still table it and I can email it out to everybody or I can send it to Craig and you can put it on there. But, the dollar amount is what needs to be identified.

Craig: So, yeah. If everyone has read that....It's remaining in 7204 right now so we need to determine that dollar amount and then I don't know if that requires another motion to move it to CIP...?

Jack: This action includes it. (*Jack rereads a portion of his previous statement that includes the motion.*) If we go by his letter here; it is \$75,000.00 but I left it blank.

Craig: I'm just questioning why we would move the money that's already in 7204 back in to 9428...would that be cleaner?

Jack: That's the direction that the EMS funds are supposed to go and so then it becomes an asset of 9428 and the transfer out of 9428 to 7204 and then transferred in to 7250 is a separate action. We are tying it together but they are separate actions.

Craig: Okay. That's what I was inquiring.

Dave Edwards: What is the most logical (*inaudible*)....

Jack: The number that Don came up with is \$75,000.00 and that number does not include any reconciliation of fiscal years 2012 and 2013 which may reduce that amount but it's going to cost time and money to do that. We don't know how much value we are going to get out of that because whatever transfer may exist...it could zero it all out so there is no transfer dollar amount and ultimately what would happen is move the \$63,295.00 from 7204 in to 9428...if we were to spend money to do that...

Shawn: Ultimately, we spend a bunch of tax payer dollars to get the accounting exactly right and we're not sure which direction to go. So, without incurring all of those tax payer dollars, my opinion is, we just do our best educated number. We have the right to make the decision of whatever.

Dave Edwards: The issue is how that money came in and where it's going.

Shawn: Money already came out because of the unpaid tax liabilities. We don't know exactly how much is owed...somewhere in that range...we just need to pick a number and transfer it back in. Now once it gets there are other things that gotta happen too but that is kind of immaterial too.

Dave Edwards: What is important is what is most accurate.

Craig: We know that it's, in my opinion, we know, I feel that it's less than what he is seeing because he does acknowledge that it's less but because he isn't responsible for the audits during that time period, he can't make an opinion on it. I think we all know that it's less. It's just a question of the Board "what is less?"

Jack: The target number according to Ron...

Dave Adams: I have a question. Who's Ron?

Craig: Don.

Jack: Okay, Don.

Dave Adams: Don says \$63,000.00

Jack: Dave, we have to look at this paragraph (*holding up a document*). Don't look at this (*pointing to the front of the document*). We have to look at this number here it's simply EMS accounting. It's not a 7204/9428 reconciliation. It's just an EMS accounting of EMS mill levies that have been distributed to the District for the three (3) fiscal years in question. That is not the balance due. Balance due is in the paragraph (*points to front of document*) right here that explains it. (*Dave Edwards views the document Jack is holding up.*)

Craig: Dave, there was some concern at the tail end if you gathered that from the meeting minutes, to reflect that I want to be cognizant because we could potentially get an audit at any time. I wanted to be careful and make sure it was worded appropriately. You know, it is ultimately a discussion of the Board to decide what they choose to do with it. I just want to try to make sure it's as above board as possible.

Dave Edwards: I think that's important. I mean...you know, we're spending \$10,000.00 ...\$75,011.00...\$63,000.00 and \$10,000.00 for an audit...I'm just saying that if we're going to go off a number, I don't think we should be going off of the \$63,900.00 I think we should be going off of the \$51,000.00. It's an even number. It says...

Jack: I don't know where we are getting the \$51,000.00.

Shawn: It's \$51,395.00. Craig just mentioned \$51,000.00 rounding it.

Dave Edwards: It seems that with \$51,395.00 It seems like there is a basis for accuracy.

Craig: That's money that is sitting in there without having to come up with another balance without having to worry about a remainder...

Shawn: That number has nothing to do with this.

Craig: That was the two (2) allocations that...distributions (*inaudible*)...

Jack: Okay, that was the 2016 fiscal year distributions.

Craig: Yep.

Jack: Okay.

Craig: That was kind of my intent; okay, pick a number; it's in there and we don't have this balance and have to wonder...when are we going to transfer that because we don't have it right now...and then we wait and do it again for the other EMS disbursement to come and then we take a portion out of that...it just seems....

Jack: And that's another thing; it doesn't have to be all at one time. It can be over a period of time. We don't want to extend it out too long but it can be over a period of time.

Dave Edwards: Well, I'd like you to write it the best that we can and just move on past it but it just seems like, you know, the number is not...we don't know what the number is so we shouldn't try to make it that.

Craig: Well and it could be less on top of that because that's just the investigation of another audit and then Davies would have to re audit and then that's not even his cost.

All of these numbers move forward throughout the audit process and so he would have to redo a portion of his. So, yeah...

Dave Edwards: If there was an audit and we took \$65,000.00 and said 'That is the number we want to move over.' That should cover it within the range of public expectation. It's going where it's supposed to be going. It's being used for what it's supposed to be used for. Let's drive on. Then suppose somebody wants to audit us and says where's the \$10,000.00 that's supposed to be in 9428? It's in 7204. It's there...it's just....It's just that much more to be hung up on.

Craig: In my opinion, it's a lot of extra effort, time, energy, and thought which we all at times seem to forget things and to have that \$10,000.00 or \$12,000.00 balance in there and then try to remember to capture it and receipts. I'd rather just keep it simple.

Dave Edwards: But we have two (2) enterprises.

Craig: We have an enterprise and a non enterprise.

Jack: 9428 is an enterprise and 7204 is just a normal ...

Dave Edwards: I guess what I should say is that we have two (2) entities that have money coming into it and we have to put them right. So that's all I'm saying. If that audit were to come downthe difference between \$75,000.00 and \$65,000.00

Jack: What's the cost to arrive at what it would be? Is that why you're picking \$10,000.00 less or are you just ...

Dave Edwards: What I'm saying is that we don't have it right-between-the-eyes accurate. By putting a number out there, like it is, then I think we are saying that we are accepting a false number.

Jack: So you're saying \$65,000.00 would be a false number or...

Dave Edwards: Well it would a false number just as well as \$75,000.00. I am just trying to pick a number that would easily let us transition from here on without saying to an auditor \$75,011.00 is the key number. I'm okay with a number. I just don'tlike you were saying (*looking at Craig*) complexity; moving from one and then back to the other, take fifty out of this...it just seems like a shell game.

Jack: The reason why we need to move it back and forth is to satisfy an audit from the Emergency Services because all of the money that we receive should be going into the ambulance fund. By moving the \$63,000.00 into the ambulance fund it satisfies that. Whatever money is moved out for obligations; that is a separate issue and this satisfies that also. So, the dollar amount is what we have to arrive at. The reason it needs to go into 7204 is that is the only way to directly transfer money into the 7250 (CIP). It is the

easiest way to track something as opposed to just taking money from 9428 and putting it into 7250. The tracking is a little...it can be done but it....

Dave Edwards: What is 7250?

Jack: The capital improvement fund....It becomes excess money that would be nice to have for truck purchase.

Dave Edwards: But we've got to go about it the right way. I'm all for it. It's just funny that we got this audit and all these other things going on....he'd recognized that it was probably less than the \$75,000.00. That's just strange.

Craig: He can't make an opinion because...

Dave Edwards: Right...but then with us, to say 'We should pay the \$75,000.00.' with his own admission. That's not really accurate. Just get a number out there and drive on.

Dave Adams moves to transfer \$55,000.00; Dave Edwards seconds the motion; motion unanimously passes after lengthy discussion.

Shawn: For the lack of a better exact number and not wanting to encouragethose are our constituents.

Jack: Motion has been made by Shawn to pass resolution 2017-01 that transfers \$55,000.00 from fund 9428 to fund 7204 and includes the action includes the action of transferring \$63,295.00 from 7204 to 9428. All in favor?

Shawn: I'm not following that last line.

Craig: Yeah, no. That's not...it's currently in 7204.

Jack: What did I say? *(Jack repeats previous motion)*

Craig: It is currently in 7204 and has to go back into 9428.

Jack: It needs to get there. It's never been there.

Craig: Correct.

Shawn: This says 'Balance owed to 7204 from 9428. *(reviewing document)*

Jack: Are you reading from the third paragraph...the big paragraph right here? *(holding up his document for Shawn to see)*

Craig: We don't want to be taking \$63,000.00 currently out of 9428 and putting it in to 7204.

Jack: It says 'The District also owes \$63,295.00 of EMS funds ... oh, the District also had \$63,295.00 EMS owed by 7204 to 9428. So, we owe that. As well as \$29,639.00 payroll related costs by 7204 to 9428. That's what I have in the resolution.

Craig: The only monies need to come from 7204 into 9428. We can't be putting any money more from 9428 into 7204.

Jack: The result of this is \$63,295.00 going from 7204 into 9428 and then there's \$55,000.00 coming out of 9428 in to 7204 which will transfer over to 7250.

Craig: Sounded better the second time.

Shawn: That's a whole other discussion. The transfer to 7250.

Jack: Pardon?

Shawn: We're trying to satisfy the payroll liabilities. So yes, we're going to transfer over to 7250 but that's a whole different action, completely, than this.

Jack: *(Re reads the resolution aloud)* So, if you want to break them all out into individual ones then...

Craig: No. I'm just trying to think.

Jack: I was just trying to have it all being taken care of in one clean swoop.

Shawn: What about the \$29,639.00 and the *(inaudible)*?

Jack: Well, in the 'whereas'...The 'whereas' says *(re reads aloud the portion of the resolution pertaining to Shawn's question)* So, if you have \$167,000.00 and subtract \$29,000.00 and \$63,000.00 you have the \$75,000.00. So what we're saying is that we recognize those but we're deciding to approve the transfer of \$55,000.00 from 9428 to 7204 to settle past accounting differences. And for that money to go in to 7250 and that includes the transfer of \$63,295.00 into 9428 from 7204.

Craig: Sounds okay to me. My only question is, is there one or two resolutions with this?

Shawn: I think the transfer of 7250 needs separation. It has nothing to do with this.

Jack: So we don't want 7250 mentioned in here. I took it out of the 'therefore'.

Shawn: So why do you mention the \$63,295.00 and not the \$29,639.00?

Jack: Well, because I mentioned it in the 'whereas' because the 29 and 63 is what arrived at \$75,000.00. I mentioned it in a 'whereas' not a 'therefore' because 'whereas' states facts and the facts are; this is what the auditor reported to us.

Shawn: He reported on both in the same paragraph. One is 'therefore' and one is 'whereas'.

Jack: No. Well no, because I have them both as 'whereas'. *(Jack turning his laptop screen so Shawn can see)*

Shawn: So in the bottom sentence...why is that in there when it's already in 'whereas'?

Jack: Well, because we need to take that action. We haven't taken that action yet.

Shawn: We've already take that action on the \$29,639.00?

Jack: We haven't done anything with either. The \$29,639.00...let's see...the fiscal year 2014, no, we have not...we never transferred anything to cover that \$29,639.00. So what he's saying is if 9428 owes \$167,000.00 and if the other way 7204 owes 63 for this last fiscal year and 29 for the previous fiscal year then the way to resolve it is to say then that 9428 owes \$75,000.00. But what we're doing is saying that we're going to satisfy all with a \$55,000.00 transfer.

Shawn: Right. So where are we going to change \$63,000.00 after that?

Jack: Because we have to get it in there; because it hasn't been transferred yet. Unless we want to say transfer it but I would think that we would want to take action because that needs to be transferred in there.

Dave Adams: Question.

Jack: Yes?

Dave Adams: Wasn't that a standing order that it's supposed to be transferred so we don't need to recognize or make an action on this? It just has not been done for some unknown reason? If I remember correctly...

Jack: It may have been but we weren't always consistent in applying it as a standard transfer. Is that right? *(looking at Craig)*

Craig: It's been transferred every time other than the last two because I knew, based on our discussion, we knew that it was possibly going to be upheld until we got the chance...

Shawn: It should be a standard transfer then it should just be transferred.

Craig: It is a standard motion that was done years ago that says it automatically goes in there.

Jack: It just seems like there were a few times that we didn't transfer the entire amounts and we didn't do it in a timely fashion.

Craig: There are others that I am aware of. We just let...

Shawn: So these items (*inaudible*) require budget amendments and resolutions (*inaudible*)

Jack: Say that again.

Shawn: Some of these things require a budget amendment and resolution...

Jack: Yes, good point. A separate budget amendment would be related to both 7204 and 7250.

Craig: And actually, now that I think about it, we need a resolution. We can't go up there and get that out of 7204 without a resolution or meeting minutes (*inaudible*) take it out of there to put it back in 9428 whether we have a standing motion or not (*inaudible*)

Jack: So yes. Well no for 7204 we wouldn't have to have a budget amendment but for 7250 we would because it would increase what's in there. 7204 is just a wash.

Craig: Would you need a budget amendment to actually go up there and do that?... show them in the meeting minutes?... (*inaudible*).

Shawn: So again, it still feels to me like these are somewhat unrelated exercises. So really, I think we need 3 different resolutions.

Craig: So, I have to show meeting minutes that reflect..

Jack: Yes, the transfer of money from 7204 to 7250. We need a resolution.

Craig: You mean back in to 9428. Because they don't necessarily know that we have our own insurable policy and I can't just walk up there and say we need to take out...

Shawn: Does it have to be a motion or just in the minutes or...

Craig: It just needs to be in the minutes that states I am authorized by the Board to remove \$63,000.00 from 7204 even though...

Shawn: I want to go back to the motion that we are going to transfer \$55,000.00 to satisfy the past unresolved payroll liability.

Craig: Okay, I'm getting confused. Is it 63 or 55?

Shawn: 55.

Craig: I thought, originally, it was going to be 63 transferred from 7204...

Shawn: That's a separate motion...*(inaudible)*...I'll just make a motion...

Jack: Do you want to withdraw your motion?

Shawn: No.

Jack: Ok, so then I guess the question I have for you is; this history which is what the 'whereas' is describing, do you want any of that in your motion?

Shawn: It doesn't hurt, yeah, that's fine. That gets us to where we recognize the number where \$75,011.00 was. For better or worse I'm on the trail of knocking 20 grand off of it.

Jack: Okay, so then the 'therefore' would be 'the Trustees approve the transfer of \$55,000.00 from the fund 9428 to 7204 to settle past accounting differences for which funds paid the delinquent payroll taxes for 2012 through 2015.'

Shawn: Mmmhm *(nodding head yes in agreement)*.

Jack: That's what you seconded, Dave Edwards.

Dave Edwards: Mmmhm.

Jack: Okay, any other discussion?

Shawn makes motion to transfer \$63,295.00 from 7204 to 9428; seconded by Dave Adams; unanimously approved.

Shawn: And I move to transfer \$50,000.00 from 7204 to 7250 *(there is discussion on the number and whether to use the same one or not.)*

Craig: From 7204 to?

Jack: We are on the third step.

Craig: Okay, you lost me on third step.

Jack: The first step is the resolution we passed of the \$55,000.00 from 9428 to 7204. The second step was to transfer \$63,295.00 ... *(Shawn shows Craig what he has written in his notes of the meeting)*.

Dave Adams *(to Craig)*: It wasn't done in order.

Craig: Okay, because we can't take 55 right now and put it back in there and have it come back out. Got it, okay. It was out of order.

Jack: Ok, so Shawn made a motion and who seconded it?

Shawn: I did not complete the motion. Pick a number. I'm open to suggestion.

Jack: The more that goes in to 7250 the more we have for a truck.

Dave Adams: \$57,000.00

Dave Edwards: Second it!

Jack: Anything more than \$55,000.00 will require a budget amendment for 7204 and anything less than that may also require a budget amendment because we will have excess funds in 7204.

Shawn: \$55,000.00 it is.

Dave Edwards: I second it.

Shawn moves to transfer \$55,000.00 from 7204 to 7250; seconded by Dave Edwards; unanimously passes.

Craig: I guess, can I just kind of back up and I'm sure this is fine but...\$63,295.00 from 7204 to 9428 right? We're good there. \$55,000.00 from 7204 to 7250, right? So nothing is coming from 9428? So that \$63,295.00 that is in the 9428 now, that's not going anywhere? I didn't hear where we transferred anything from 9428.

Dave Adams: Here's what happened, Craig. They did the 55 from 9428 to 7204 first. They took money out that wasn't there yet.

Jack: What is the balance of 9428 right now?

Craig: I'm going to say probably 80 grand.

Jack: Okay, so there's \$55,000.00 in there. The reason why you do it in the payments with (*inaudible*) first, in my mind, is to satisfy Emergency Services audit because they are going to see that all of this was done first and that these monies were put in later. So we are taking money that's already in there. I mean, they can look at it and see what we're doing, too. But, the order of it has some significance also.

Craig: So that I understand this clearly; \$55,000.00 is going to come out of 9428 of the money that is currently in there, *right now*? I won't sleep at night. Jack, this is like a 1/3 or our account.

Shawn: Craig, okay...so I've got a hundred bucks in my pocket and I owe him (*Tommy*) 55 bucks but Cole owes me 63. So, I'm like sorry, I'm not going to pay him until he pays me 63 bucks. I've got a hundred bucks in my pocket and I could pay him right now.

Craig: Okay, this is not at all how I thought this was going to go. So the mill levies that are currently in 7204; why couldn't they just have been transferred from 7204 back in to 9428 and then go straight from 9428 in to 7250?

Shawn: Because we can't do it.

Craig: Why can't we?

Jack: We might be able to do that but government tracking; I think it needs to go to where the money was spent. You see, the \$55,000.00 is going to go into 7204 and ultimately end up there but that's where the money came from to pay the payroll taxes.

Craig: I get it but I guess it's just not the structure I thought it was going to be. It's the same result I'm just questioning theokay. I accept it.

Craig: Okay. Apparatus update. I drafted a letter and sent it off to Mike Flint who is the General Fire. He is our liaison here with who we purchased equipment from. He read the letter and was in favor of it. He added a couple of wordsmithery elements. He is taking the letter that I have written him and he is actually on his way to meet with the owner and CEO and will be there tomorrow in Nebraska. He had some other business to attend to. He thought he would deliver to him in person and then have a chance for a Q & A with him and I thought that would be a better deal for us than trying to do this electronically. So, I am waiting to hear what the initial impression is from the owner of General Fire. In the letter I did ask, basically in all fairness, a boat anchor of 31 and it took me a little while to develop it because I had to go back and research all of the costs we've put into it. I can't even remember how much we purchased the apparatus for. So, it took a little bit of time and effort but I was able to develop all of that. In talking to Mike, he seemed pretty favorable to the idea. He's not ultimately sure we are going to go about and do this. In my letter, I stated, basically, that I am humbly asking for a fair trade in value if we were to continue to do business with them. I did allude to the fact that I'm not offering any guarantees to General Fire for the next purchase of any apparatus but since we've historically purchased apparatus from them that it would basically be in their best interest if they could give us a reasonable trade in value for this since we can't sell it outright with the history. There would just be no way. I did kind of state that if this did fall through that we would be looking at more of a salvage (*inaudible*) for a down...

Shawn: With someone other than General Fire.

Craig: Correct. Like Jack said, it might even warrant calling Pacific because honestly, if anybody is going to look at the history of this and know that it's not backed by any manufacturer and with no schematics...nobody's going to buy that.

Dave Edwards: Who did we buy it from?

Craig: We bought it from General Fire. This was a hybrid truck. They created two and then quit production. Their internal documents I have heard have so many issues identified in those two demo trucks that they ceased production on it and they discontinued that whole line. So, we own one of two. The other is in Texas and is no longer running. We own one of two trucks that will ever be in existence. So that is the anomaly. General Fire, when we first started having problems with it, they backed away from it and said 'Well, we're only a quarter owner in it.' There were 5 manufacturers involved in this truck in the production. I mean the engine, the assembly, the chassis, the electrical...I mean it was all hybrid out from all of these companies and they thought at the time they were going to have a state-of-the-art truck. It flopped. Well, we got a really good deal on it at the time, or Don did. It was a demo, it was a great price and we were all really happy with it until things starting developing on it.

Jack: Any current problems with it?

Craig: Not currently.

Shawn: Knock on wood.

Craig: But, we have lost complete faith and trust in this truck. It is has quit twice on structure fires and we've had to say 'Sorry ma'am, you're house is on fire but we have no water. We have to wait for something else.'

Dave Edwards: Well, it seems like we've got ladder trucks out there that we got from the same outfit.

Craig: No. We got them from a dealer on the east coast. You know, I can't even call General Fire to even ask their engineer to help us trouble shoot with existing problems. That's why we went through all the labor to have RES, Kyle have to go through it with no schematics. They have no blue prints. They destroyed all of that documentation on this truck so we have nothing. We don't even have endorsement.

Dave Edwards: If I bought a truck like that, let's say from Roy Stanley, I don't think I'm ever buying a new truck from Roy Stanley.

Craig: That's the difficult part in this.

Dave Edwards: You know...but I know I don't have the relationship that you guys do...

Craig: We have a 70 year relationship with General Fire. So, I thought, in all fairness; let's give them a shot and if they balk at this then we know then we never do business with them with the understanding that although we purchased from them and they were the dealer that they were only a quarter of the manufacturing problem. Now, Mike does recognize...and I posed this question to him...any dealer should service and honor what you sell. Regardless if you only had 25% stake in the manufacturing of it. You are the

one that sold us; we paid you the money. Where's the warranties? Where's the support? And that hasn't happened. He's aware of that. The CEO acknowledges that we haven't necessarily been treated right in previous (inaudible) over the years. So, I'm hopeful that he'll give us a fair trade towards the purchase of something else. If not and he balks then we're going to get zero. We're going to have to look at it for whatever and (*tone goes off so it is inaudible*)... zero. We'll have zero trade.

Dave Edwards: Well I think that we're probably going to end up (*inaudible*)

Craig: So they have mining interests in China. They have mining interests where they sell and they've got some third world interests (Shawn interjects "And they are getting a sale.") where they're selling a lot of these. They could take this back and put some money into this truck once it's away from us and possibly sell it to a third world country which they've opened up a limited edition and that's what they're doing. They're selling these trucks with these weird anomalies to mining outfits and things like this that don't have to follow the NFP...so they could wind up with a sweet smelling deal if they were to throw a little money at it... Problem is, I don't know what is a fair trade. This is negotiations that I'm probably going to have to bring before the Board probably and I'm going to be like 'alright; twenty thousand? Fifty thousand? Seventy-five thousand? I can tell you that when we enlisted our 1999, our white truck; when we were having a financial problems; we had this discounted down to \$90,000.00 and we didn't get any takers nationally or internationally. So, I know it's going to be lower than that.

Jack: I guess in my mind a fair trade is what the net out of pocket cost you. So you have to make sure that whatever our basic truck value is; is the same thing they're quoting over here so that we can say 'Well, this is what we're getting from this other place with the same specs as what you're offering us.'

Craig: Yeah, I don't want to inflate it on the back end.

Dave Edwards: Well it just seems (*inaudible*)

Craig: The difficulty...I know we don't have it in our budget for a custom; something that's built for Evergreen Fire so it's probably going to be a demo unit or something that is slightly used. So we're going to have to take a look at that because a brand new engine is over \$600,000.00.

Dave Edwards: Well it just seems like (*inaudible*) and I know I don't know the guy...

Craig: Yeah, it would have to be in writing and it would all have to be done above board. (*In summarization due to inaudibility of conversation between Dave Edwards and Shawn with the idea that sometimes going with a new company is better because they want the new business relationship and will go the extra mile to get and keep it.*)

Craig: I'm just going to feel it out and see if I get any hesitation from them or push back then it's not worth it. I want to move on. We're going to throw it out there but if I throw

out a bid and say 'Here's our specs.' and meet it and then they don't have anything in stock or a demo and it does become custom; it's a build and it's 18 months out then it a factor.

Dave Edwards: Our current reserve is what...about \$150,000.00?

Jack: In 7250?

Dave Edwards: Yeah.

Jack: Well, there's \$70,000.00 in there now and we're adding \$55,000.00 so about \$125,000.00.

Craig: We've got a decent down. Still, regardless, we're going to have to (*inaudible*)...or lease, Jack. I had to throw that out there.

Dave Edwards: I'm a big fan of warranties and people that stand behind them.

NEW ITEMS/UPDATES:

Craig: I am just requesting that we make mention that we need to add Dave Adams to the Glacier bank and I just need to be (*inaudible*) so I can take that in and get it notarized.

Jack: So we need a motion then to include Dave Adams on the signatory and that we probably need to delete someone...

Craig: I don't recall who you had deleted and who you didn't...I can't remember if Kyle was ever put on there.

Jack: Well, why don't we just say the current signatories are ...Okay, I make a motion to identify current six signatories which are the five trustees on 7204, 9428...those are the only two accounts, right?

Craig: There.

Jack: For 7204 we need to include for the county not that they're going to have a look at it...

Shawn: Our January meeting, we had listed Jack, Shawn, Dave Edwards, John Foust and Kyle Nace as current trustees as of January 1. So we just need to remove Kyle and add Dave unless this expedites it and saves you a trip.

Jack: I don't know. I guess we can do it either way.

Dave Edwards: We can just vote.

Jack: The first motion would be to remove Kyle.

Shawn moves to remove Kyle Nace from list of signatories and add Dave Adams as a trustee signatory at the Glacier Bank, Whitefish Credit Union, and Flathead County; seconded by Dave Edwards; unanimously passed.

Jack: Next item; signatory stamps.

Dave Adams: I brought this up to Craig because last payday down here at the station they were running around trying to find people to sign things. We have had issue in the past where trying to get things signed we've had people up to Shawn's and had to go do something so he's not there and we have people running around and I would venture to bet that when there are thirty payroll checks to be signed that no one is looking through them. They are signing their name; flipping the page; signing their name; flipping the page. It's twenty bucks to have a stamp made and takes about a day and a half and your stamps made. I think that it would be smart a time saving issue to have that available for these guys to use. I had one made and it takes no time. We go through and approve it anyway when we go through and look at the financials. I can't see where this would be a detriment. It would be a time saver.

Jack: How would it be secure?

Dave Adams: I would imagine that the Chief would have those.

Dave Edwards: In a safe? That's a serious thing to consider.

Craig: No, we don't have a safe, per se. It is kind of common practice. I do know it's a problem. It's kind of become a problem. I do have to thank Shawn in advance. We had to send Cheri up to his construction site the other day; up to the hospital to get him tracked down. The auditor is okay with it when we ran it by him. We could still continue to make the calls if that's what the Board likes to do. We can still continue to do that. The difficulty gets when I'm gone on Monday then we usually have to get two signatures which *does* become a burden. When I'm here, it's just the one but occasionally it does happen and it is a struggle. We have had to go several days before because we just couldn't get anybody.

Shawn: I think it's good to expedite payroll but I have my concerns with the bills because I think it deserves a little bit more oversight.

Dave Adams: I don't have a problem with bills. I know that every two weeks, I have had to do that; call around and see if I could find a trustee.

Craig: What's hard is, honestly, although people have an expectation on Tuesday...they're down here. We've said, don't come down here prior to noon but from noon, on...the parking lot is packed and it's like 'I can't get a hold of somebody yet.'

Dave Edwards: I wouldn't be objected to that.

Craig: I think that we could be business-as-usual and use it only in an emergency. Could we elect to do that? In my absence, if I am gone then that would have to come down to either Cheri or whatever...we could have a policy saying 'We elect to use your stamp Dave' or whoever and we could email after the fact or however. I just thought it was worthy of a conversation.

Dave Edwards: I wouldn't be opposed to it. I just wouldn't want to be (like a rubber stamp on everything). I would like a locking file.

Craig: Well, we have a locking file case.

Dave Edwards: Well, you have somebody down here 24/7 generally, right? I mean it would have to be...I mean, I wouldn't have a problem with a text...'Hey, we've got payroll and Craig's not around can we stamp these twenty checks?' Yeah, I'm cool with that. I mean I have enough heartache about this (*inaudible*) Board thing...about liability and stuff like that. You're signature is a big thing when it comes to legality stuff. It gives me heartburn but yeah, I think we could do it.

Craig: The other thing I'd like to propose if the Board chose to do this is I have been warned repeatedly, including my wife who works in the (*inaudible*) department at Glacier Bank. She's told me for years, 'You probably should discontinue signing your own checks. They're made out to me and I do. Just because trying to find two signatures and it's just really weird and so my preference would be to chase to have two different signatures than myself on my own paycheck and discontinue signing my own paycheck even though I have one more signature.

Dave Edwards: Well, wouldn't it make sense to do it here, now. We know bills are paid on the first of the month, here's a stack of checks. Couldn't we sign them now? We've got everybody gathered. We could just knock it out right now.

Craig: It's always Tuesday. Like today was payroll and the time cards went in to her this morning and they'll be done by noon tomorrow.

Dave Edwards: Oh, I got you, now.

Craig: It takes her 24 hours.

Jack: I have to check with the school district but the school district doesn't have a stamp. It has a machine that generates the signature on the checks as they are issued. There's bonding and certification that goes with that. We're talking about something that is completely different. I am not familiar with any public entity that has a stamp where somebody just physically stamps it whether it's vendor checks or payroll checks. So, I am not comfortable with it at all because one of our responsibilities is to look at all the bills and look at all of the payroll regardless of what kind of inconvenience it is for me as a trustee or for who's the recipient of the check.

Dave Edwards: We do; with the financials and ...

Craig: There is still the photocopies of the checks too if you're spending time looking at them. But I do know that Shawn, and at no fault to Shawn, but when he is in a hurry ...it's rare that any one of you, when I set down forty payroll checks each one of you is...it's (*makes motion of signing and flipping page over, signing and flipping page over*)...

Dave Edwards: I would say move forward with looking into it and seeing if there is a precedent.

Craig: I don't know much about it. I asked Dave (*Adams*) to research it because I wasn't going to give myself a stamp.

Dave Edwards: I mean is there any other payroll that uses it? Do we need ...if we do something like that, is there insurance to the Board? I mean...

Jack: I guess that would be a question for our insurance agent. What kind of liability if we use a stamp. What kind of liability exists for an unauthorized use of a stamp?

Shawn: Same kind of insurance on a bond.

Dave Adams: It's going to be the same as if I forged Dave Edwards' signature with a pen just as I could a stamp. I will tell you this; when the bank gets my check they don't look at the signature. I have cashed my paychecks from here with one signature on it and it's a two signature check.

Dave Edwards: I'm not saying anybody in here but in my world strange things come down all of the time. Having a signature and a copy machine...you know what I mean? Next thing you know I'm 'Hey Dave, you want to come down here we've got some questions...' I just get worried. I mean, I'm all for it for the convenience but I also want to have that backup of insurance that we're doing something that's (inaudible) right. With that said, I sure would like to know that with another 20 bucks a year to our coverage that if something like that were...you know, like one of the EMT's gets hooked on bad stuff and did something really crazy, it would take a minute but we'd get it untangled.

Craig: If we want to table it I can check and see and ask of the requirements for a stamp. But I really would like to discontinue signing my own paycheck. It's kind of weird.

Dave Edwards: Well just around Evergreen...somebody checking mailboxes and taking whatever they could find. I mean these are low level, ignorant people. We're not talking about intelligent monsters.

Craig: ...started Saturday night about 1:30 going through mailboxes...dog starting barking. He was going up and hitting everyone...got his license plate and got him stopped.

(Side discussion for a couple of minutes)

Craig: So, I guess we table it until we have more information?

Jack: I'm not comfortable. I won't have a stamp made for my name and I won't sign any checks that have a stamp put on it either; one that has someone else's signature put on it with a stamp.

Dave Adams: I think the fact that no one's looking at the checks that they sign anyway, unless it's a bill but payroll ...I would be surprised if anyone on the Board looked at the paycheck other than to see where to sign..

Craig: I hate to ask but if the Board doesn't want to do this ...then we need a schedule. I know it is nerve wracking for Cheri and I know Laurie in the past trying to make those phone calls. It is every Tuesday. It is rare that we're not hammering you guys on a Tuesday. We do bill pay on Tuesday too so it is every Tuesday there is an expectation that we are chasing signatures. It's tough. Shawn is really, truly is good about that.

Shawn: Can we push the bills to every other week?

Craig: They are every other week. Payroll one week followed by bill pay the next week and so on.

Dave Edwards: Is it being paid weekly...is there a reason...

Jack: There's a different set of things that are being done every week. So every two weeks you're doing the same thing.

Craig: So, just that thought of Tuesdays. You know you can expect a phone call. You are (saying to Shawn) ...

Jack: The vendors all have different due dates.

Craig: And we know it's not all your fault. But we get then where Shawn can't do it and so then we message and (looking at Dave Edwards) and we know you're hard to get a hold of and...

Shawn: It was funny because two weeks ago Cheri texted and I signed a bunch of checks and she says I still need more signatures. So, I thought she had more checks so I said 'I'm still available.' and she's like 'Ha ha, Shawn.' Then I was like 'Oh, she needs a second signature.'

Craig: Okay. To be continued.

Dave Edwards: Where'd you get yours at? (*speaking to Dave Adams*).

Dave Adams: *(inaudible)*.

Shawn: Staples and Office Max have them.

Jack: Yeah, they're inexpensive.

Dave Edwards: The potential here for financial liability is huge.

Dave Adams: Yeah but the potential financial liability is huge for crossing the street. Everything you do has a risk.

Dave Edwards: I'm just saying for some protocol of some sort.

Dave Adams: I just think it is something that needs to be addressed and I did not expect it to be 'like hey I got a great idea' and expect everybody to do it without any rules. That would be foolish.

Jack: Okay, Chief's Report.

Craig: Two documents here kind of show what we did last month. There were 128 calls; 100 EMS and 28 fire; pretty much standard stuff there. The next page shows where we've been and what we've been doing. We are starting to go into the City of Kalispell a little less but still 10. Whitefish; you can see though that we're bouncing all over the Valley helping people out.

Jack: Does that mean there were fewer total calls in Kalispell?

Craig: No. They have just seen a little more resiliency in their staffing, so not less calls for them. They've just been able to maintain two ambulances. They have sick outs at times kind of driven by the Union there where they'll do a sick out or a brown out. They've had a couple of buses down with maintenance issues and stuff. It's an ebb and a flow. My last two items; the station sealant is mostly done. Brian (Pitts) is currently finishing up as we speak. He is currently on a lift and he is hitting all the stuff that's up underneath the overhang. So that's finished up. We are starting an academy here in about 3 weeks. We've got about 8 new personnel and will be starting our Fall/Winter academy. That's all I have.

Dave Edwards: So was September up?

Jack: I was going to ask you if there would be benefit to having a year-to-date comparison?

Craig: Do you want one?

Jack: Yeah...for a yearly total and not by the month? Just to know how we compare to a

year ago.

Dave Edwards: I was just curious.

Craig: No, I don't have that right now.

Dave Edwards: (*inaudible*)....it just seems like it would be more confidence whether leasing or financing something if you're going one direction (*motions up*) and not (*motions down*).

Craig: Well, I can tell you that we are probably still up just based on the numbers. I can't give you how much we're over this time last September.

Jack: I know historically speaking it used to be 150 to 160 hours a month and that would put you at 1,800 to 2,000 a year....148 only puts you at 1,500 ...that's why I'm wondering...

Craig: We will plateau. I know that on the EMS side we will plateau. Inter facility will probably always spike a little bit as other services go up. So next month I will have all kinds of different data for you. They've got a thousand reports that you can generate with data mining out of this program. .

Craig: It's weird. It's a weird animal. Just when you think you're having a slow month; you have over 15 calls in one day.

Jack: Okay, anything else anybody wants to talk about.

Meeting adjourned at 5:49 P.M.

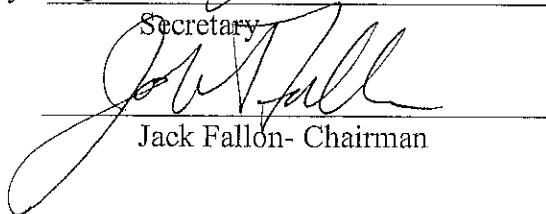
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Submitted by: _____



Secretary

Signed by: _____



Jack Fallon- Chairman

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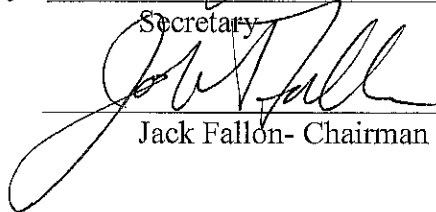
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Secretary

Signed by: _____



Jack Fallon- Chairman