

KETCHUM RURAL FIRE PROTECTION DISTRICT

P.O. Box 416/100 Arrowleaf Road
Sun Valley, Idaho 83353

Phone: (208) 622-8234
Fax: (208) 622-7600

Jed Gray

Chairman

Earl Engelmann

Secretary

Sarah Michael

Treasurer

Rich Bauer

Fire Chief

Special Meeting of the Ketchum Rural Fire Protection District

March 11, 2020 Meeting Minutes

Present: Chairman - Jed Gray
Treasurer – Sarah Michael (via phone)
Secretary - Earl Engelmann
Director of Public Safety – Walt Femling
Sun Valley Fire Chief – Taan Robrahn
Ketchum Rural Fire District Chief – Rich Bauer
Administrative Assistant – Trish Smith
Public

CALL TO ORDER.

Chairman Gray called the meeting to order at 11:07 AM.

PUBLIC COMMENTS.

None.

MOTION

Commissioner Engelmann moved to approve the February 26, 2020 meeting minutes; seconded by Commissioner Michael. A roll call vote was taken.

AYES: Commissioner Engelmann
Commissioner Michael
Chairman Gray

NAYS: None.

Chairman Gray declared the motion carried.

FISCAL YEAR 2019 AUDIT-Brady Workman, Workman & Company.

The previous auditors who conducted the fiscal year 2018 audit switched from a “government report” to a “cash basis report”. Workman & Company continued with the cash basis report, which is a bit more unique than a standard government report. Workman & Company issued an unmodified opinion, which is the highest level of an opinion that can be given. Workman & Company completes testing, sampling, review of contracts and reads all the Ketchum Rural Fire District meeting minutes which pertain to financial matters. Page 4 shows the income and expenses that the District received in fiscal year 2019. Ketchum Rural Fire District increased their fund balance by \$157,035.00 in fiscal year 2019.

Workman & Company recommends tracking fixed assets, purchases, repairs, useful life. This information no longer hits the financial statements. The District is not required by law to track their assets, because the District is using the cash basis reporting.

Workman & Company recommends listing the state required budgetary information in the District’s bylaws, such as the proposed budget, public hearings for taxpayers’ comments and the final budget adoption by resolution of the board. Regarding public funds: the more the public knows, the better. Workman & Company stated that information can be tracked in a non-required supplementary information only section in the audit. It would be a list or footnote at the end of the audit.

A discussion was had regarding government versus cash basis reports. A cash basis report is preferred, with a fixed asset footnote. Commissioner Michael would like to research Idaho Code 67-450B Independent Financial Audits of Local Governmental Entities – Filing Requirements.

Director Femling asked about having a separate budget for housing projects. Brady Workman explained that audits only report what is listed in the budgeted numbers. Audits do not have opinions regarding whether the funds were spent wisely. An audit wants to see if the money was spent the way it was intended to be spent in the budget. If the District receives contributions or private funding from partners or individuals, that will not change anything unless the funds come from a federal grant over \$750,000.00, that requires special new audit requirements. If funds are received from a source other than a federal grant, then Brady Workman suggested obtaining advice from Workman & Company, or legal advice, or a combination of the two. If persons are seeking tax deductions with their contributions, there are specific requirements we need to offer at that point.

According to the IRS code, Ketchum Rural Fire District is a non-profit because the District is a subdivision of the State of Idaho. The District does qualify for tax deductions. There are however avenues the District needs to take to ensure it is completed correctly. If someone wants to donate to Ketchum Rural Fire District, we should contact Brady Workman.

Lack of Segregation of Duties: A discussion was had regarding the internal control regarding accounts. Brady Workman recommends:

- 1) Make sure if something comes up, it is caught on a timely basis.
- 2) Protect the staff and Trish especially that if, and when a situation occurs such as something was paid that should not have been, or a check was mailed with only one signature.

Life happens, and no one is perfect. We just want to be able to catch these instances as quickly as possible.

MOTION

Commissioner Michael moved to approve the Workman and Company's Fiscal Year 2019 Auditors Report as presented; seconded by Commissioner Engelmann. A roll call vote was taken.

AYES: Commissioner Engelmann
 Commissioner Michael
 Chairman Gray

NAYS: None.

Chairman Gray declared the motion carried.

BANK ACCOUNT CHANGES

A discussion was had regarding the addition of signers to the Zion's Bank checking account to ensure payments are made and checks can be signed in a timely manner.

MOTION

Commissioner Michael moved to add Chief Rich Bauer and Chief Taan Robrahn as signers on the Zions Bank account and have the two Fire Chiefs bonded; seconded by Commissioner Engelmann. A roll call vote was taken.

AYES: Commissioner Engelmann
 Commissioner Michael
 Chairman Gray

NAYS: None.

Chairman Gray declared the motion carried.

HOUSING FOR PAID ON CALL FIREFIGHTERS

Chairman Gray, Commissioner Engelmann and Commissioner Michael are dedicated to enhancing the residences and equipment to improve our district overall. Chief Bauer stated: By adding more housing units at the Greenhorn Fire Station we would reduce the risk to the community and improve the quality of life for all the citizens that live near the Greenhorn Fire Station as well as our neighboring fire departments such as Hailey Fire Department and Wood River Fire & Rescue.

Director Femling is still awaiting a response from ITD (Idaho Department of Transportation) regarding Ketchum Rural Fire Protection District purchasing property located near our stations, or a land exchange, or a 99-year lease from ITD.

After much discussion regarding the project of adding additional resident housing, a decision was made to focus the current attention on expanding housing at the Greenhorn Fire Station. The decision regarding the timing of this project has been delayed until further research has been completed. The research to be completed is the creation of a long-term master plan which will not only involve the facilities but will also involve apparatuses and equipment. Director Femling, Chief Bauer and Chief Robrahn will begin working on the long-term master plan which will involve a fixed asset report, the age and expected remaining life of the apparatuses and equipment. The master plan will also include an estimate of construction costs based on the original housing plans, although updated to meet current building code, and an exploration of potential revenue (such as partnerships or individual contributions) that can be used to assist in paying for this project. If this project moves forward this year, it would be best to postpone

the paving of the Greenhorn Fire Station driveway and parking area until after the new housing units have been built.

Feedback from current live ins, they would prefer more 2-bedroom housing units. The consensus is that these housing units are transitional. Ketchum Rural Fire District should be encouraging the tenants to save for down payments while paying a low rent amount for these units. Once paid on calls save up for down payments and purchase their own homes in the valley, the more rooted they become in the community and then the district has the opportunity to offer other members the transitional housing units, and the cycle will continue.

Wood River Fire & Rescue and Hailey Fire Department are talking about a consolidation. This is probably where their focus is currently. We may not be able to discuss a partnership regarding a housing project with them until the consolidation has been completed.

Commissioner Engelmann will submit estimates for building prices to Director Femling at no charge, and only for the purpose of working on the budget.

Commissioner Engelmann will not be bidding on the district's housing projects.

Commissioner Michael will continue her work on the Griffin Butte Fire Station regarding land acquisition issues with BLM (Bureau of Land Management) and ITD (Idaho Transportation Department), even though this could take a year or two.

The Regular Meeting scheduled for April 8, 2020 has been cancelled.

A Special Meeting will be held on Wednesday April 15, 2020 at 10:00 AM at the Elkhorn Fire Station.

ASSIGNED TASKS:

Commissioner Michael will continue her research into the BLM and ITD land located near the Griffin Butte Fire Station. She will also research Idaho Code 67-450B.

Commissioner Engelmann will obtain estimates for the housing unit projects at the Greenhorn Fire Station.

Director Femling, Chief Robrahn, and Chief Bauer will work together to create a master plan for the housing projects, including a fixed asset report, the age and expected remaining life of the apparatuses and equipment. The master plan will also include an estimate of construction costs based on the original housing plans, although updated to meet current building code, and an exploration of potential revenue (such as partnerships or individual contributions) that can be used to assist in paying for this project.

PROPOSED BY-LAWS

A discussion was had regarding the revisions of the proposed by-laws.

Changes to be made are as follows:

Section 4.20 present the two different alternative wordings regarding conflict of interest to the attorney William Punkoney for review.

Section 5.10 remove the word "facilities".

Section 7.60 change the word "contact" to "contract".

Section 7.70 change the word "contact" to "contract".

The changes will be made by Commissioner Gray prior to sending the proposed by-laws to William Punkoney with the White Peterson Law Firm.

MOTION

Commissioner Michael moved to submit the proposed by-laws with the discussed changes being 1.) A review of the two alternative wordings for Section 4.20. 2.) Removal of the word "facilities" in section 5.10. 3.) Changing the word "contact" to "contract" in Sections 7.60 and 7.70. to attorney William Punkoney of the White Peterson Law Firm; Commissioner Engelmann seconded the motion. A roll call vote was taken.

AYES: Commissioner Engelmann
Commissioner Michael
Chairman Gray

NAYS: None.

Chairman Gray declared the motion carried

OLD BUSINESS

Commissioner Engelmann reported on the energy audit to be performed on the two fire stations and the residential units. Idaho Power completes commercial audits at no charge. Commissioner Engelmann has schedule audits for the fire stations on March 18, 2020. Idaho Power does not complete the residential audits. The residential audits are sub-contracted out and have a fee of \$99.00 per account for electric heat source and water heater and \$149.00 for gas heat source and water heater. The contractor Tad Duby requests payment at the time of the audit or prior to the audit. The way the district conducts its claim approvals and payments of bills, the invoice will need to be listed on the district claims approval report, approved in an open meeting, then the check can be printed and Commissioner Engelmann & Chief Bauer will take the payment to the audit.

Griffin Butte is all gas. Greenhorn units 200 & 300 should be all electric, that will be verified. Greenhorn unit 100 falls under the commercial audit since it is attached to the fire station. Once the audit has been completed, the district will then need to decide if it is more cost effective to continue paying the Idaho Power bills as is, or should the district complete the necessary upgrades to lessen the amount of electric and gas consumption.

ASSIGNED TASKS:

Chief Bauer will verify the type of heat sources and water heaters for the residential units and contact Tad Duby so he can issue an invoice for the residential energy audits.

MOTION

Commissioner Michael moved to adjourn the meeting; Commissioner Engelmann seconded the motion. A roll call vote was taken.

AYES: Commissioner Engelmann
Commissioner Michael
Chairman Gray

NAYS: None.

Chairman Gray declared the motion carried.

Adjournment 1:03 PM

Approved Virtually

Jed Gray, Commissioner/Chairman

Approved Virtually

Earl Engelmann, Commissioner/Secretary