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BOARD OF DIRECTORS MEETING

Date and Time: 2:00 PM on Tuesday, November 24, 2020

Location: Zoom Meeting (Replay on our YouTube Channel and our Facebook Page)

Attendees:

Chris McAnany
Dusti Reimer
John Justman
Quint Shear

Agenda:

- I. Call to Order.
 - a. Q. Shear called the meeting to order.
- II. General Public Comment.
 - a. None.
- III. Approval and Execution of Fall Grant Contracts.
 - a. Q. Shear said we have two signed contracts, and we can go ahead and approve those. We have one that is not signed yet. Chris, we have a resolution to adopt them all, but we should hold off until all three.
 - b. C. McAnany said you can approve the resolution and we will just wait until the last grantee signs on their contract, but I think it's ok for the board to approve that and if there is a problem later, we can revisit. IT's usually always better to have the grantees sign first.
 - c. D. Reimer said does it matter that they are potentially going to changing something? They said they are going to be submitting some information that, they may be changing the equipment they are purchasing.
 - d. C. McAnany said let's just approve the two that are signed. I don't want to create any confusion; we can come back and approve the third one next time if there is going to be change to specifications.
 - e. Q. Shear said and change the resolution.
 - f. C. McAnany said yes, let's just kick that down the road.

- g. Q. Shear asked for a motion to approve the contract for the East Orchard Mesa Fire Protection District and Lower Valley Fire Protection District?
- h. J. Justman asked if the two signed contracts were East Orchard Mesa Fire Protection District and Lower Valley Fire Protection District?
- i. Q. Shear said that's correct.
- j. J. Justman made a motion to approve the two signed contracts. Voted. Approved.

IV. Discussion and Review of Budget for 2021.

- a. D. Reimer said we have, that I sent over in the board packet, Craig's updated spreadsheet and what everyone has agreed to. There are a couple of questions outstanding right now. We called Jamie and asked if it affected our insurance. He said not that he is aware of. He said he's never had anyone request it. We asked about a Special District Association rate, and he wasn't aware we were part of the SDA. He will run, next time we do our quote for insurance in February, that he would include that with the insurance group. That didn't have any affect on us. The other part of that is the audit. I spoke with Lisa yesterday and asked what she would advise, if we should get the exemption because our budget was so low, or if she would work with us on having a discounted amount for our audit. She said if it were here, she would look to do the non-audit exemption from the state and she would get back to me, if the board wanted to still move forward with an annual audit on any discounts.
- b. Q. Shear said for accounting she said she could do it for \$5,500. You have \$2,400 in there.
- c. D. Reimer said thank you for that. And we have legal fees for \$5,000, accounting fees \$5,500, contract services for \$32,000, auditing for \$3,800. There was another question for Chris. We do have money that's left over. We've talked about it before. They budgeted about \$100,000 last year as a cushion, if you remember, after we granted that money back to the county, and additional money that has just kind of rolled over continuously, if we were to use that for additional grants or to put it into an investment fund, does that have to be denoted on the budget that we have.
- d. C. McAnany said yes. Your budget should show your retained earnings as well as your expenditures, so it presents a clear picture of your financial position of the district. So yes, we need to have a line item that shows what we will keep as retained earnings. I think traditionally, we've always tried to identify a budget for our restricted expenditures like contributions to the permanent fund and grant agreements that the district is already obligated on.

- e. D. Reimer said which we do have. We've always had that in there. I guess because it says estimated fund balance, would be our actuals. That money is already in there, right?
- f. C. McAnany said unless those funds are committed. You could have a beginning fund balance, but there are charges against that. Portions committed for grant payments.
- g. Q. Shear asked if we should list that as uncommitted funds?
- h. C. McAnany said yea, I would say retained earnings or reserve, something like that.
- i. Q. Shear said ok. So, we can do whatever we want with those funds as far as investing, but we need to have a line item that says retained earnings. I think we did with Scott, but I think it got dropped off.
- j. D. Reimer said I do remember he used to have that line item of forfeited grants. We do have that line item, but we haven't had any unused in the last two years, but we do have that left over money. We'll have to make sure we get that put on there.
- k. Q. Shear said we'll need to make sure Christine is accounting for that. John, the big thing we are worried about is operating costs falling within the limits of the 10%. With this current, and Craig and I both talked, we are going to put more pressure on Chadwick Steinkirchner gave us. We're going to go up the ladder with Chadwick with the response of telling us to apply. Our concern is a period audit, the problem is, if you skip a year, they'll charge you more to get to the starting point on the next audit. You skip a year it'll cost more than \$3,800 to do a catch-up audit.
- l. J. Justman said I don't want to postpone it.
- m. Q. Shear said I know we can, but I don't want to put off an audit.
- n. C. McAnany said one of the things Craig and I had talked about, is the law allows the district to not do an audit, given its revenues, but Craig had expressed the strong view for transparency and trust in the District we need to keep doing an annual audit, so people have confidence in the books of the entity.
- o. Q. Shear said it just takes one person to challenge our books that we are back spending a lot of money.
- p. D. Reimer said Christine with Eide Bailly said the audit was necessary to continue to do.
- q. C. McAnany said it gives you a lot of confidence that your books are accurate and the public confidence. The main thing I wanted the board to be aware of, if

we are really strapped for money, this might be where we could generate some savings. You might be able to turn the screw on Chadwick on services.

- r. Q. Shear said we got Eide Bailly dropped theirs to \$5,500 as a maximum and of course Chris, thank you for working with us on that. Of course, Dusti is going to take a little bit of a haircut, too. I think we'll help you a little bit Dusti, by just cutting it down to one grant cycle to help your workload on it. We're trying to make it so you're not doing more work for less money, we'll definitely put some pressure on Chadwick between now and December.
- s. D. Reimer said I would think you wouldn't want to lose a client.
- t. Q. Shear said I would think so. As easy as our audit is.
- u. C. McAnany said it's just not that much work.
- v. Q. Shear said I imagine that 90% of the work is done by staff.
- w. D. Reimer said yes, with everything we send over.
- x. Q. Shear said this gets us under 10%. For the draft of the budget do these numbers look good for you.
- y. J. Justman said do you have a date for December? The 15th?
- z. D. Reimer said no the next meeting is December 29th.
- aa. J. Justman said we aren't going out of town or anything.
- bb. D. Reimer said I sent over all the meeting invites already so they should be on your calendars.
- cc. Q. Shear asked if the numbers looked ok for the draft budget.
- dd. J. Justman said they look fine.
- ee. Q. Shear asked if we had a copy of a draft budget that the numbers are plugged into?
- ff. D. Reimer said I just have this one, in the pdf form that Christine sent over.
- gg. Q. Shear said we'll have these number put into that draft and then we'll post it.
- hh. D. Reimer said ok.
- ii. Q. Shear said John we need a motion to approve the draft budget. Right, Chris?
- jj. C. McAnany said yes. I am correct, Dusti, that there is another version with the permanent fund contribution?
- kk. D. Reimer said yes, it was in the board packet. This line needs to be changed. It says right here contributions to the permanent fund \$100,000; contract labor needs to be changed on here and then we need to change grants to be awarded next year should be changed from \$400,000 to \$350,000. This one says

estimated fund balance here and this lists the amount we got. This column right here is where we have been operating off of.

ll. C. McAnany said you can make a motion to approve the draft budget with the information from the excel worksheet added to it and need a line item with retained earnings added to it.

mm. Q. Shear asked if John would make a motion.

nn. J. Justman said I make a motion to approve the draft budget presented with the edits added in from the excel worksheet and line item of retained earnings. Q. Shear second. Voted. Approved.

V. Unscheduled Business.

a. None.

b. J. Justman made motion to adjourn. Q. Shear second. Voted. Approved.

i. Meeting adjourned at 2:45 pm.