

**HIGHLAND RESCUE TEAM AMBULANCE DISTRICT
BOARD OF DIRECTORS MEETING
Highland Station – 317 South Lookout Mountain Road
May 9th, 2011**

The Meeting was called to order at 6:00p.m

Board Members in Attendance: Nettie Calvi, Ed Daniels, Jim Espy, Pat Smith

Others in Attendance: Captain Walling, Sharon Jones, Ed Westagaard, Chief Wells, Barbara DeBoer, Christina Shea, Dave Rush, and Cherry Von Stroh of Wagner Barnes.

Minutes of the Previous Board Meeting: were approved.

Auditors' Report:

Ms Von Stroh of Wagner Barnes has been doing our audit for the last three years. As the auditors they are responsible for the opinion page (p.1) HRTAD was given an unqualified opinion which is the best you can get. We, the HRT organization, are responsible for the other information contained in the report. Each of the Board members was given a draft of the Auditors report. The Management representation letter will go out after all questions are answered. Final copies will be sent to the board. Finally, a letter called "Those who are charged with governance" will be sent to the Board. Items they feel need to be addressed or recommendation of changes of processes will be discussed in this letter.

Ms Von Stroh discussed the written Audit report: Page 5 & 6 Revenue generally was down; expenses were also down, ending the year with a deficit of \$52,000. The largest expenses were salaries/benefits, refitting of the ambulances, supplies, and then insurance. Major revenues are property taxes and service revenues. Our cash balances are in good shape and primarily in very conservative investments. The fact that we have no debt puts us in a very good situation.

Ms Calvi asked what percentage of our annual expenditures we should keep in reserve. It was recommended that a year's revenue be held on reserve but six months is usually the standard given.

Jim Espy – Management discussion and analysis – should we be doing this?

Ms Von Stroh – It is merely a restatement of information already contained in the body of the document. We generally do not recommend putting it in.

Ms Calvi - Our check register contains employee salaries. Robb Gair feels that this information should not be passed around at the board meetings. Ms Von Stroh agrees that the Board needs to see it, and if requested the public needs to be made aware of it. She feels it is really more of a legal question. Chief Wells will ask our legal counsel.

Ed Daniels feels it should be included in the Board materials.

Pat Smith agrees it needs to be part of the public record. Jim Espy agrees.

We will revisit it next month.

Financial Report: Ms Shea's – presented her written financial report. We are 1/3 of the way through the year and fee revenue is right on target. Operation Expenses are below target so net change is

positive.

The unemployment tax rate went up significantly from 2% to 5%. She feels tax revenue will be down 6-10% and we will see that in 2012.

Chief Wells – Our Surveying company, Chambers Consulting, has discounted their bill \$900 as a donation to our building expansion.

Chief's Report:

1. Billing – We billed at \$100,000 the first 4 months of the year. April was a weak month on transports though we had plenty of calls.
2. FEMA Grant – we are not going to get it this year so we will not be buying new monitors now.
3. Optimum staffing for April – 95% even with members on LOA
4. Six were accepted out of eleven interviewed in our new recruit class of June 2011. Two of those live in district.
5. Large scale incident response – creation of Emergency Response Team, mini IMT, hoping to have it up and running by September. There should be no increased costs in training.
6. Building update: Estimate is at \$350,000 for Building. Site work is still unknown. Once the Jeffco hearing on June 1st is past we can open bids for 3 weeks. We need a firm bid to really know our cost. The total cost will more likely be \$434,000 vs. \$410,000. Operational costs consistently come in under budget and we can put off several capital items to cover the extra expense. See attached written report for details.
7. Billing changes have been delayed.

Ms. Calvi is concerned with the cost to furnish the new space.

Chief Wells – our 2011 budget under “furniture and improvements” includes \$5200 for this.

Ms Calvi – what do we really feel we need in our cash reserve? Do we really still need the Foundation? The Foundation has the ability to make money where Highland does not.

Ed Daniels looks at the Foundation as somewhat of an extension of Highland's cash reserves.

Ed feels comfortable with the amount we will have after the building and as Chief Wells has indicated we should be able to build that up again each year by \$50,000 + with savings in our annual budgeted operational costs.

Old Business:

Building Expansion Bids: Chief Wells needs to know if it is okay for him to put the building expansion to bid once we get Jeffco approval.

Ms Calvi made a motion that as soon as we hear back from the county we put out request for bids. Pat Smith seconded it. The vote was unanimous.

Excess in LOSAP funds:

Ms Calvi feels we need to put the funds back in the general fund and boost up our cash balance.

Chief Wells – it's a matter of where the money shows up on the balance sheet and nothing more.

Ms Shea believes as it is written now, we should be sending it back to the general fund.

“Reversions should be placed back in the general fund.”

LOSAP Investments:

Pat Smith– we decided we would go with a 5-10% loss tolerance and a max 25% exposure to equities.

Robb Gair and he have discussed letting people opt out of it or do their own self directed fund.

Rules and Regulations- Financial Management section 9.3.3.:

Jim Espy- feels we are talking about very small amounts of money.

Pat Smith– Foothills has theirs written to require Board approval for overruns over \$2500 or for over the yearly aggregate of \$2500. This will protect the Board and the Chief

Chief Wells will re-write this section for next month's meeting.

The meeting adjourned 7:45pm