

Grand Junction Rural Fire Protection District

Minutes of the Regular Board Meeting

JUNE 22, 2004

I. CALL TO ORDER

The meeting was held in the Mesa Mall Community Room, 2424 US Hwy. 6 & 50 and was called to order by President Steve Grant at 6:35 p.m.

II. ROLL CALL – Board Members

Steve Grant, President; Bob McCormick, Treasurer; Steve Gsell, Board Member; Tery Dixon, Board Member. Absent, Vicki Felmlee, Vice President.

Others Present: Public; media; Bruce Mills, District Auditor; Larry Beckner, Attorney; and Rhonda Phillips, Scribe.

III. APPROVAL OF AGENDA

The numbers on the agenda are off by one number. There are two number 5's. Please change the second number 5 to a 6 and so on. Steve Gsell moved to approve the agenda. Bob McCormick seconded the motion. Roll Call. All Ayes. Motion Carried.

IV. PUBLIC COMMENTS

The public will have an opportunity to comment at the beginning of each board meeting. This is an opportunity for the public to express their opinions, concerns and questions. A member of the public audience asked what was happening with the DA. President Steve Grant answered that he hasn't spoken with Frank Danial, District Attorney, for a couple of weeks. He explained that an investigation is currently being conducted surrounding issues involving the fire protection district. The District Attorney has not reached any conclusions.

Dale Breckenridge, who lives in the district, wrote a question and presented it to the board. President Steve Grant read the letter aloud. It reads as follows: 'Have any or will any of the tax dollars paid by the citizens of the Grand Junction Rural Fire Protection District living outside the Redlands Sub Fire District be used to pay the bills of the Redlands Sub Fire District for fire protection services, legal services or other financial obligations? If so, why are the citizens of the Grand Junction Rural Fire Protection District outside the Redlands Sub Fire District subsidizing a better level of fire protection services for the Redlands Sub Fire District? And is this legal?' President Steve Grant answered that no money has been spent, out of the district as a whole, for obligations of the sub district. Larry Beckner explained that there is a separate bank account for sub district funds.

Bob McCormick reported that he received a copy of a letter written to Ms. Rita Harvey in Denver, Colorado, from the Office of the State Auditor. He explained that there are four essential areas noted in the letter. He read that portion of the letter aloud. It reads as follows: 'No confirmation (third party verification) regarding the investments. Workpapers have not been properly signed and dated by the preparer. Workpapers have not been properly signed and dated by a qualified reviewer. No audit programs were present indicating audit procedures.' President Steve Grant read another paragraph from the letter. It reads as follows: 'Because these workpapers are not sufficient to prove that an audit was conducted, we have no choice but to conclude that an audit was not performed for the Calendar Year 2001. Our last good audit is now 2000. No other public comments or communication.

V. APPROVAL OF MINUTES

- A. June 8, 2004 Regular Meeting: Steve Gsell raised a question regarding number 8, item B on the June 8, 2004 minutes. The wording isn't quite right in that paragraph. Larry Beckner explained better wording for this paragraph. Number 8, Discussion Items, letter B in the minutes should read: 'Larry Beckner reported that issue of the litigation with the City is whether the 2002 taxes were legitimately collected. The City has taken the position that they are not the proper named defendants in the case. They are in fact the defendant, but they are arguing that they are not the proper named defendant.' Steve Gsell made a motion to accept the minutes as amended. Bob McCormick seconded the motion. Roll Call. All Ayes. Motion carried. Bob McCormick explained that the minutes and the agenda would appear on the website once the hosting issue has been resolved. Vicki Felmlee is working on the website hosting and domain information.
- B. Other outstanding minute approvals: Tabled until the next meeting.

VI. TREASURERS REPORT

- A. Financial Status of District: Bruce Mills handed out the General Purpose Financial Statements to the board as prepared through June 22, 2004. The \$450,000 check has cleared from e.NVIZION. The County Treasurer is holding \$812,254 at this time. Once we get the audited financial statements submit to the state we will get those funds released and use that money to pay the City of Grand Junction.
- B. 2002 and 2003 Audit Status: The audits are on hold at this time due to the letter that the State sent to Rita Harvey. Bruce Mills informed the board that he is going to hold off on doing any further work in the 2002 audits until this issue is resolved.
- C. Repayment of Funds from e.NVIZION: President Steve Grant stated that all indications are that the \$450,000 check that was received is good. Mr. Westfall, an attorney in Denver, informed President Steve Grant that he recently spoke with Mr. Bruno in New York and was informed that a payment schedule should be in place by the first of next week for repayment of funds plus accrued interest. Mr. Bruno claims that he has searched all of his files thoroughly and can find no agreement on paper. No documentation on the transaction has been found at this time.
- D. Approval of Payables: Bob McCormick read through and explained all June payables. There is a total of \$26,307.79 in payables for June. Mr. McCormick suggested that the district pre-pay services at Office Depot because the cost is considerably less for making copies. No bills were paid last month. All checks are prepared and ready for board approval and signatures. President Steve Grant received a new bill from Attorney Westfall. The total owed through May was \$31,907.53. The total now due billed through June 21st is \$33,532.95. President Steve Grant suggested that the attorney's bill be tabled until the board has a chance to review them in detail. Tery Dixon moved to pay all payables with the exception of the attorney's bill, in the amount of \$3,811.79. Bob McCormick seconded the motion. Roll Call. All Ayes. Motion carried. Bob McCormick introduced a new form called "Personnel Reimbursement". This form is to be used by board members and contract laborers to submit reimbursable expenses. The form is to be filled out and submit to the board for approval. If the expenses are approved, a check will be issued. Two forms were submitted at tonight's meeting, one in the amount of \$96.52 from Steve Gsell, for the purchase of a fax machine, and one from Bob McCormick in the amount of \$191.20. Tery Dixon moved to approve the personnel expenditures as stated. Bob McCormick seconded the motion. Roll Call. All Ayes. Motion carried.

VII. ACTION ITEMS

- A. Contract with Rhonda Phillips: An independent contractor agreement has been made between Rhonda Phillips and the Grand Junction Rural Fire Protection District. The agreement was drawn by Larry Beckner and signed by Rhonda Phillips and President Steve Grant.
- B. District By-Laws Committee: Due to the absence of Vicki Felmlee, this item will be tabled until the next meeting.
- C. Web Site Update and Hosting: Due to the absence of Vicki Felmlee, this item will be tabled until the next meeting.

VIII. DISCUSSION ITEMS:

- A. Lawsuit with City of Grand Junction on Open Records: This is an action that was filed by the City against the District requesting access to the district records. All of the records that we have have been turned into the City for review. Larry Beckner has entered his appearance in that case and is now the attorney of record. Bob Cole has withdrawn. This case has been extended with the court for 30 days to give Mr. Beckner the opportunity to subpoena records, if necessary. This case is not being dismissed at this time but there is nothing pending.
- B. Lawsuit regarding Sub-District Tax Collection: This is a case that was filed by Mr. Westfall on behalf of both districts against the City of Grand Junction and concerns the question of the legality of the taxes that were collected in 2003. Since real estate taxes are paid in arrears, so those were really taxes for 2002. The election that approved that sub-district tax was not approved until November of 2002, so the question is if you can have a ballot question that approves a tax that is really collected in the year prior to the time that the tax was approved. The City of Grand Junction was the only defendant that was named in that case. The City filed a motion to dismiss the action. The District, the very entity that imposed the tax in the first place, does not have the standing to challenge it's own tax. The City raised the question as whether the city was the proper defendant in that case and as to whether there had been a proper claim filed in the case. Judge Buss issued his ruling yesterday and upheld all of the issues as filed by the district. The judge denied the motion by the City of Grand Junction. As a result, the case will now proceed with the city filing an answer and then we can decide how we are going to proceed. The answer must be filed in 20 days from the judge's order. In order to avoid additional legal fees, the city has been granted an additional 30 days in which to file their answer, therefore, the city has 50 days to file their answer. During that time, Mr. Beckner will work with the district and with the city to try and determine if we want to proceed and have the court answer the question and if we do, what is the most expeditious way do it. Mr. Westfall is currently the attorney of record on this case. The board needs to determine if Mr. Westfall will stay the attorney of record or if Mr. Beckner will be entering an appearance. Larry Beckner asked if the board would like to call a special meeting to discuss the litigation matters or wait until the next meeting. It is at the discretion of the board of they have a regular meeting or an executive session to discuss these matters. Bob McCormick will call Mesa Mall Management to find out if the meeting room is available for hold a meeting next Tuesday, June 29th for an executive session meeting. Ann Duckett, public attendee, stated that she believed that holding an executive session on any matters would be a mistake at this time. It is her opinion that all proceedings should be held in a public manner. Larry Beckner responded that he believed that an executive session is appropriate when you are involved in litigation and trying to decide how to approach your case.

- C. Status of District Records: Records have gone to the office of Bruce Mills to research information for audits. The records will be housed in a fireproof file cabinet at Station #5.
- D. Comments from Fire Chief:
The Fire Chief was not in attendance.

IX: OTHER ITEMS

Cancellation of July 6th meeting: The July 6th meeting was an error. We are scheduled to meet on July 13th and July 27th. President Steve Grant is not available to meet on July 13th. The meeting on July 13th is canceled. The board will meet for an executive session on June 29th at 6:30 at the Mesa Mall Community Room. The Board of Directors regular meetings are held the 2nd and 4th Tuesday of each month at the Mesa Mall Community Room at 6:30 p.m.

X. ADJOURNMENT

Steve Gsell made a motion to adjourn the board of directors meeting. Bob McCormick seconded the motion. The meeting adjourned at 8:25 p.m.

APPROVED AND ADOPTED THE _____ DAY OF _____, 2004.

Stephen Grant, President

Attest: _____
Robert W. McCormick, Secretary