

GRAND JUNCTION RURAL FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS MEETING
MAY 21, 2004

Members Present: Steve Gsell (SG), President; Tery Dixon (TD), Treasurer

Members Absent: (3) Vacancies

Others: Public, media, Board candidates, Bruce Mills – District Auditor

The meeting held in the Mesa Mall Community Room, 2424 US Why 6 & 50, was called to order by President SG at 7:00 p.m.

MINUTES

No minutes available for approval.

PRESIDENT'S REPORT: SG

Legal Counsel Robert Cole anticipates e.NVIZION will deposit another \$500,000 to the District's account by end of May for a total return to date of \$750,000. Local investigators and District investigator will be working together. Bruce Mills is pursuing the District's Audit for 2002 and 2003 to submit by July 30th and will provide a financial overview this evening. The District has not received an update from Richard Westfall on the declamatory judgment action filed. The District's records have been copied and will be available to the public at \$25 each to offset the reproduction costs.

FINANCIAL: Presentation by Bruce Mills, CPA

The compilation report for dates 1-1-04 through 5-15-04 contain numbers which are not audited and the numbers are derived from sources, not the District's books. A data file obtained from Counsel Robert Cole was accessed, but no payment of any current bills is included. Under the "Combined Statement", variance means comparison to budgetary figures. Legal fees listed reflect expenditures taken from bank statements. The 2002 Audit as required by the State, and due June 30, 2004. Because the 2002 Audit was incomplete, the Mesa County Treasurer's Office has frozen further disbursements to the District pending completion of the necessary audits and the goal will be for the District to receive an unqualified opinion. If a qualified opinion is issued, the State will issue a 90-day letter and ask how the District will be brought into compliance or a disclaimer will be issued regarding financial records. The main goal is to safeguard assets and be sure a similar situation does not arise again. The District may have some technicalities that need to be brought into compliance, but the main issue is the value on current investments because no investment records are available to explain how or when investments were made. And we do not know if the records we may get are complete. Future investments may include bonds which have limited exposure. The choice is to complete the audit without the necessary information for a qualified opinion knowing this will generate a 90-day letter, or simply wait until the investments are returned and then file. As the State does not accept audits out of sync, we cannot file 2003 without 2002; they are dependent upon each other. Waiting might also tie up local disbursements

longer. However, it appears there is sufficient money in the bank to cover up to a \$600,000 payment in July. Financially, the District is fairly simple in that the people are charged property taxes and 95% of that money is paid to the City on a contractual basis. He has seen the Audit Reports for 2000 and 2001 and does not believe that an audit was performed for 2001 and the auditor, Rita Harvey, is not currently available to answer questions. However the real statement of revenue is beginning and ending balance for 2002 and he will not look at 2001. Basic test functions will be performed to check for general accounting procedures. He will proceed in a forensic manner.

NEW BUSINESS

1. GJFD Chief Beaty: Not present, no report.
2. Legal Candidates: TD reported receipt of one letter of interest from L. Beckner which the Board will review.
3. Board Vacancies: Ad-hoc Committee Chairman Jerry Clark reported the committee had received letters from (4) qualified candidates, developed a questionnaire, interviewed the candidates separately, met again and selected (3) candidates for Board approval. The candidates are: Vicki Felmlee (VF), Stephen Grant (STG) and Robert McCormick (RM). With the nomination of the three candidates, President SG asked if any further nominations were forthcoming. Hearing no further nominations, nominations were closed. As the Board had not been part of the selection process, another set of questions were asked of the candidates:
 - a) *Why do you seek the position and what unique talents do you offer?*
RM – As a Redlands resident I am familiar with the District having served on the Board in 1999 and want to help straighten things out. Believe experience with the Airport Authority will be valuable.
VF - As an Orchard Mesa resident I've served on a Committee to develop a Master Plan for Orchard Mesa and worked with the Grand Junction Visitor's and Convention Bureau. I want to get as many folks as possible to help the District and think we need to hold meetings throughout the District to encourage public attendance.
STG – I've worked 37 years on the Front Range trouble shooting real estate projects. I was involved in resolution of the Silverado debate.

- b) *What do you perceive as the most pressing two issues for the District?*
RM – Where's the money and how to get it back. We need to get the records back and get local counsel.
VF – Agrees, wants to update the by-laws to conform with state statutes and resolve the tax issue.
STG – Agrees and wants to build a solid bridge with the City of Grand Junction and the taxpayers.
- c) *What changes in District operations would you like to place into effect?*
RM – Would suggest (2) regular meetings a month until issues resolved and move the meetings from Friday to either Monday or Tuesday, and get more public input.
VF – Again, update the by-laws and make sure everything is in compliance. Change the meeting date with an aggressive campaign to invite the public.
STG – Agrees and the professionals involved need to be local, push for local involvement. The District is a public entity and will conduct business in public meetings, be very transparent in activities.
- d) *How do you view the current Board members and do you believe you can work with them?*
RM – I believe I can work with them, may disagree at times, but need to reach a consensus.
VF – I have no preconceived notions and eager to find the solutions ahead.
STG – I've been attending meetings since the first of the year and have the ability to work with anyone.
- e) *How do you view the City and County's position relative to the District?*
RM – We need to get the District back to where we have money. Looking long term for good fire delivery system. We did have an agricultural community and it is urbanizing so need to see what is best for long term.
VF – We need to develop plans for the money – if we don't have a goal, why does the District have reserves?
STG – Get things simplified as quickly as possible, the tax issue should be clarified.
- f) *How have you acquired any professed knowledge of the District or its members? (potential conflicts of interest)*
RM – Personal knowledge of both.
VF – No specific knowledge of either.
STG – (?)

Having completed the interview process, it was moved by TD, second by President SD to ask the public's approval of the three nominated candidates. Public accepted. Motion carried. The new Board members were welcomed to service and President SG administered the Oath of Office to each. Having been sworn in, it was moved by BM, second by VF to proceed with the Agenda Addendum. Motion Carried.

4. Election of Officers: It was moved by STG, second by VF to elect BM as Secretary-Treasurer. Motion carried.
It was moved by BM, second by STG to elect VF as Vice-president. Motion carried.
It was moved by BM, second by TD, to elect STG as President. Motion carried.
5. Rescind Signatory Authority: It was moved by VF, second by SG to rescind current signatories. Motion carried.
6. Authorize Signatures: It was moved by VM, second by VF to have two signatures on all financial instruments and those signatures will be the President and Secretary-Treasurer. Motion carried.
7. Suspend Payment to Board Members: Until the District's financial status is clearly established, it was moved by BM, second by VF, to suspend Director's payment for meetings for 90-days. Motion carried.
8. Retain Legal Counsel: As resolved at the April 21st meeting, it was moved by BM second by VF to retain Larry Beckner as the District's Legal Counsel, with transition assistance from Robert Cole. Motion carried.
9. Secretarial Services: With brief discussion, Vice President VF was authorized to investigate secretarial services to assist the Board's operations.
10. CPA Services: With brief discussion, Secretary-Treasurer RM was authorized to visit with Bruce Mills regarding the potential scope of his services.
11. Investments: With brief discussion, it was resolved all investment opportunities will be brought to the Board for approval and no investments will be made without Board approval.

12. Define President's Duties: With brief discussion referring to minutes from August 12, 2003, it was moved by RM, second TD _____ (need copy of)?
13. Richard Westfall: With brief discussion, it was agreed President STG, with counsel from L. Beckner, will contract Richard Westfall to obtain status and cost information on work to date.
14. Meeting Dates: To facilitate public attendance, it was agreed the meeting dates will be changed to the 2nd and 4th Tuesday of each month, beginning in June. Meeting time is 6:30 p.m.
15. City Contact: President STG inquired as to procedure for City contact. TD responded historically the chain of command has begun with the Fire Chief. President STG will make initial introductions.

OLD BUSINESS: None.

Having no further business to conduct at this meeting, it was moved by TD, second by BM to adjourn. Motion carried. Adjournment at 9:20 p.m. The next regularly scheduled meeting will be June 8th at the Mesa Mall Community Room, 2424 US Hwy. 6 & 50.

