

**Approved Meeting Minutes
Deschutes County R.F.P.D. #2
Board of Directors Meeting
Tuesday December 10, 2019 at 11:30 A.M.
Fire District Headquarters / Fireside Conference Room**

1. For the Record: Open Meeting and Introductions

Ray Miao, President; George Roshak, Vice President; Kent Haarberg, Sec-Treasurer; Gary Cadez and Karl Scronce, Directors; Gary Marshall, Executive Director; Bill Boos, Deputy Chief; Dave Howe, Battalion Chief; Greg Bryant, Deschutes River Woods HOA; Sam Griffin, Griffin Construction, LLC.

2. Public Comment: None

3. Approval of minutes of last meeting: Approved by Consensus of the Board

4. Consideration of monthly expenses: Presented by Haarberg. Motion to approve by Haarberg. Seconded by Cadez. Marshall wrote two checks that are out of sequence due to Kay Johnson out of area. Miao asked about a payment for a special inspection charges for the new fire stations. Marshall explained that the special inspections are required by the building department. Haarberg added that he had transferred funds. Motion approved unanimously.

OPERATING ACCOUNT/FUND:

10-Dec	5477	City of Bend	Electricity passthru	931.11
10-Dec	5478	City of Bend Utilities	Water-Pilot Butte	\$33.62
10-Dec	5479	City of Bend	Asphalt	24,150.00
10-Dec	5480	Mastercard	See Below	610.60
10-Dec	5481	Gary Marshall	Cell Phone Reimb	80.00
10-Dec	5482	Griffin Construction	Construction	120,700.36
10-Dec	5483	IRS	Tom Fay back tax error 2017	347.20
10-Dec	5484	Kay Johnson	Accounting	1,000.00
10-Dec	5485	Levrum, Inc	Code3 Software	4,950.00
10-Dec	5486	Zumar	Address Sign Supplies	495.00
10-Dec	5487	IRS	Tom Fay back tax error 2017	186.00
	DD	Gary Marshall	Payroll	6,920.68
	EFT	Payroll Taxes	Payroll Taxes	3,441.59
	EFT	Precisely Payroll	Payroll Processing Fee	

				46.80
				163,892.96
10-Dec	5367	Wallace Group	Special Inspections	942.95
10-Dec	5368	Laidlaw Water	New Tumalo Station Water	147.39

		<u>Mastercard</u>		164,983.30
		Century Link-phone		56.46
		City of Bend	Permit Fees	129.42
		Bend Broadband	Internet	54.95
		RTIC	Coffee Mugs	349.79
		DRI*Crashplan		19.98

			Total paid	610.60

Transferred \$200,000.00 from Money Market to Operating

Bank Balances: As of November 29, 2019

LGIP	\$5,915,810.89
Money Market	\$247,495.07
Checking	\$40,473.14

LGIP ACCOUNT/FUND: As of November 30, 2019

Opening Balance:	\$2,390,720.11
Closing Balance:	\$5,915,810.89
Dividends:	\$7,705.90

5. Reports:

A. Fire Department Reports / DC Boos: Reports on new Captains list and new firefighter entry test due to retirements. New position called Battalion Chief of Fire Prevention has been added as a promotion within the prevention division. Management will be hiring a Business Manager to help the fire department with finance. Boos met with 911 Dispatch to better understand the dispatch times versus the tap out time. Is that time lag recorded and are their statistics to demonstrate what the averages are? Boos said that 911 Dispatch is not keeping statistics on those times. Roshak feels those times it should be measured. Boos said Dispatch tracks the data but they do not hold themselves accountable for that measurement of time. Boos said the data is recorded but there is no actual report that they keep up to date. Boos said they will

query those times upon request for specific calls but they don't keep monthly statistics. Howe spoke on the Tumalo station grand opening and what will take place at the ceremony.

B. Bookkeeping Report / Kent Haarberg:

C. Executive Director Report / Marshall: Marshall said that the concrete at the new Tumalo fire station apparatus bay floor has a slope issue that allows water to enter one of the adjacent rooms. Marshall also said he went to Washington DC to represent the District and Project Wildfire at a wildfire meeting. Marshall will be working on the upcoming Newsletter. Marshall also discussed the Fire Department Awards Banquet invitation.

6. Old Business

A. General Contractor Extension Payments – Sam Griffin: Marshall introduced Griffin and that he is attending today to discuss the General Contractor (GC) Extensions. Marshall said the Board has not paid any Extension payments for the last three months. Griffin believes that their company and the Architects don't agree on the GC Extensions. Griffin said there are real hard cost to his company due to them staying on the job and that is why they charge for these Extensions. He said the jobs actually stopped twice for various reasons, and he had to make the decision whether to leave the job or to stay on and prolong the project and charge the GC Extensions. Griffin said, if he stays on the job there is other new work (jobs) he can't do because he is still on the fire station job. Miao had a question about the architectural drawings and were they complete? Griffin said that there were some areas where the plans were not complete and that slowed the jobs. What happens Griffin said is that you lose your schedule and often it is difficult in this market to get your sub-contractors to come back to the job when you need them. Haarberg asked how much time is left to finish the project? Griffin said the end of December to the first week in January. Marshall stated that the construction management team has told us that January 18th or 19th will be substantial completion for the Pilot Butte station. Marshall said the Punch List is scheduled for January 17th. Discussion continued by Marshall to inform Griffin about the issues the District continues to have with this project. Miao asked what needs to be done to get this job done? Griffin said he doesn't know without speaking to his team. Haarberg said the District is not made of money. Marshall said he noticed when the Tumalo project was delayed when the Superintendent was terminated from that job. Marshall said that Griffin Construction scheduling may also be at fault, not to say it slowed the project considerably, but there were items like the lettering for the Tumalo fire station is still not up and that could have been ordered months ago. Marshall said the GC Extensions that are currently owed, that have not been approved is just over \$90,000.00 which if paid will complete it up to the end of November. Griffin would like to have a meeting to discuss the GC Extensions for December. Scronce said that the Board's responsibility is to the tax payer. Scronce said he is hearing from this discussion that Griffin is not taking any of the responsibility and that he always sees this clash between the contractor and the architects. Griffin understands there are some issues still that need to be repaired like the Tumalo bay floor that is not draining correctly. Griffin said the City of Bend is a tough place to work. (Discussion followed after Chris Mahr's report about the GC Extensions. The amount of the GC Extensions, that there was not an Architect on site for the two projects, that the buildings have to be completed, etc. Roshak said that we are about 10% over budget and that is where he thought it would be at the beginning of the project. Haarberg said the funding for the stations came in better than expected and we have interest funds on the amount in the bank. Marshall said if there was an Architect on site it would have kept the jobs close to

schedule but that would have cost the District more to do this. Marshall said the Architects said it is in the contract that the District could charge Liquidated Damages against the Contractor. The Board discussed options and what attorney costs would be if the District entered into litigation. Marshall asked the Board if they would like to approve the GC Extensions through the end of November and if approved Marshall will draft a check for their signatures. Haarberg moved to pay the GC Extensions through November. Roshak Seconded. Motion approved unanimously.)

B. Audit – Chris Mahr: Mahr handed out audit reports called the Financial Statements and Supplementary Information for the year ended June 30, 2019. Mahr said that if there are any changes, he will make those and give out the final report before the next Board meeting. Mahr gave an overview of the past fiscal year. Mahr gave a summary of the fire district PERS liability. He said the liability is very modest compared to other districts. Marshall said there is new legislation that begins January 1st that will require the District to pay on his salary which is a change as before his position was exempt due to him being retired and that he only worked 1,040 hours per year. The new contribution rate was discussed. Probably about 12% will be charged which is about \$12,000.00 per year plus the amount the District should set aside for the past Executive Director. Mahr discussed the Levy, Haarberg said we need to pay the Fire Fund just as the City is paying the Fire Fund. Mahr discussed the Management Representation Letter. Mahr says there is good controls on how the funds are used. He said that there is one disclosure that there should be one more person to assist with the recoding and funding. A letter was signed to show the state of Oregon that we recognize that there may be a need but due to the controls that are in place the Board does not see a need for an additional person. Mahr said that a spreadsheet needs to be in place for capital asset items. Mahr said that the QuickBooks manual changes by Kay Johnson need to have a manual control with the QuickBooks and need to be manually reconciled by two people. Mahr said that the True Up needs to be documented by the City on how they do it with a MOU between both the District and the City to demonstrate how the True Up is calculated and the taxes are collected and distributed. Mahr said what we capitalize is over \$500.00 and that should be changed to a higher amount. Mahr discussed the financial statements from the document. Haarberg asked if the District continues to conduct the budgeting as we currently do is that a good practice? Mahr said yes. Marshall said that Mahr and Associates staff was great to work with this year. (Scronce left the meeting at 1:02 PM.)

C. Energy Related Credits for New Fire Stations – Marshall: \$4,267.00 in credits were received.

7. **New Business**

- A. SDAO Conference Registration discussed under the Executive Directors Report
- B. Tax Assessor Reduction in Tax Turnovers: Information from the County Assessor that there was a ruling with Century Link and there will be a lower amount of funds to the District as well as other taxing entities. The amount collected is not substantial.
- C. League of Women Voters Pamphlets handed out by Marshall
- D. Opening Ceremony for Tumalo Fire Station – All Board members will be at the Opening Ceremony.
- E. Non-Prime Resource Lands / Skyliner Subdivision: Marshall gave a summary of a request from the County Planning Department for the District to write a letter to the County stating that the District is in agreement with the County that the vacant lots at

Skyliners Subdivision should be a Non-Prime Resource Land. Marshall will write the letter and bring a copy to the next Board meeting.

8. Meeting Adjourned at 2:25 PM

9. **Date & time for next Regular Meeting: January 14, 2020 at 11:30 A.M.**