

**Board of Directors  
Minutes**

**Regular Meeting**

**March 17, 2009**

Pursuant to the proper public notice, a regular meeting of the Board of Directors of Klamath County Fire District No. 1 was held at The Center for Occupational Health, 2621 Crosby Ave., Klamath Falls, OR 97603

**Members Present:** Gloria Storey, President  
Alan Scott, Vice President  
Rod Green, Secretary-Treasurer

**Members Absent:** Mike Harrigan, Director  
Rich Schuster, Director

**1. Call Meeting to Order**

President Storey called the meeting to order at 7:00PM. President Storey also clarified that Attorney Gourley would be available by phone.

**2. Pledge of Allegiance**

President Storey led the Board and attendees in the Pledge of Allegiance.

**3. Approval of Agenda**

A motion to approve the agenda was made by Secretary-Treasurer Green, seconded by Vice President Scott, carried unanimously.

**4. Public Comment**

Bill Clanton, Captain, Klamath County Fire District No. 1 – Tonight I am speaking as a 20-year employee. This is whom I am speaking for. The issue I would like to address tonight is going to come to you as Action Item 6c. Decision on the intent for the next ASA assignment. The reason that I bring this to your attention is obviously we are all aware of the fiscal health of the District regarding that the General Fund and the Ambulance Enterprise Fund are currently under-performing. History of the Ambulance Enterprise Fund is that it was set up by a cooperative effort of Local 890 and Fire District No. 1 under Chief Penicook in 1998. It was determined to be a revenue neutral enterprise, which means that it would neither contribute nor take away from the General Fund. That was also the reason it was set up as a standalone fund, to monitor the performance of that.

That revenue neutral position continued basically until the fiscal years of 2005-2006, 2006-2007, and 2007-2008. This fund is no longer neutral and is averaging a shortfall of \$350,000 per year. Using the Fire District documents that are available right now, fiscal year 2008-2009 I've trended it to come in at approximately \$1,930,000 in expenses. The revenue will be \$1,620,000, for a shortfall of \$310,000. Loans from other funds that are typically associated with the General Fund for the fiscal years of 2005-2006, 2006-2007, and 2007-2008 approximate \$1,200,000. In the fiscal year 2008-2009, with the trending that I did, I believe that the Ambulance Enterprise Fund will require another loan of approximately \$310,000, which will make the Ambulance Fund owe approximately \$1,500,000 to the General Fund for over the last four fiscal years. These loans aren't going to be repaid in the close or

distant future with respect to the Ambulance Enterprise's underperformance. The General Fund and funds associated with the General Fund are not going to be continually able to fund the Ambulance Enterprise Fund as, using the District's documents, the General Fund is trended to underperform by \$367,000.

Now, for myself, I believe that EMS transports are best provided by the fire service. I was one of the ones, and there was other's in this room, that engineered the transfer of EMS transports from Merle West Medical Center to Fire District No. 1, under the guise that it would have no impact on the General Fund. It would be a standalone operation. EMS transport service should remain a standalone fund. Combining it with the General Fund does not solve the problem at all, it only makes it harder to find and harder to resolve the issues. I believe that the Board of Directors and the Budget Committee should create a business plan for the AF that creates a five percent net return, which was also a goal that was identified in the fiscal year 2007-2008 budget, but has yet to be fulfilled.

In closing, for the Board of Directors, under Item 6c. when it is presented for action, I ask the Board of Directors carefully consider the past, the current, and future fiscal issues before undertaking the award of providing ambulance service in ASA # 5 for the next period. Thank you for your consideration and time.

Gary Mulvey, Captain, Klamath County Fire District No. 1, and a tax-paying citizen of Fire District No. 1 – I am here to address Item 7a. Update on insurance and additional information by Jeff Griffin, Wilson Heirgood. In conjunction with the statement that was in the Herald and News article on Sunday, having been on the insurance committee for the past 5-6 years, I kinda took exception to the statement that part of the reason the District is in the shape they are in is due to rising fuel costs and high insurance costs. Well, we work pretty hard on the insurance committee in the past, several of us at times. We've actually done things to cut costs. We've actually, to a point, got a decrease in benefits that I will point out. In 2005, we went from a \$10 co-pay to a \$20 co-pay. We went from an out-of-pocket limit of \$500 per person to \$1,500 per family. Now we're doing \$2,000 per person, \$4,000 per family. Our prescriptions were \$5, \$10, and \$20; they are now \$10, \$20, \$40. We went from a composite rate at the beginning of 2007 of \$1,029, now obviously that has probably gone up because I don't know what the raises are because we haven't met as an insurance committee in almost a year. *President Storey asked Gary if the newspaper article said where they got their information.* Gary replied: It said from the Board and Administration. Now I don't know who said it. *President Storey said it wasn't from the Board.* Gary continued: They heard it from somebody. Having worked on this, I really am pissed. Anyway, we went from a composite rate of \$1,029 in 2006-2007 to \$779. Phil you probably could correct me on some of these figures, like I say we haven't met but I think I'm close. My point is the insurance committee, i.e. a committee formed contractually by the Union and the District have done quite well, I think, in reducing insurance costs. They way it was stated in the paper, it's like yes, they go up, it's a fact of life, they just go up, but we've worked our butts off to try and curtail those. In conjunction, we had another plan offered to us last year about this time and it was a good plan, it was going to make things even better we thought. We had a gentleman come over from Medford and present a good plan. Stewart Tittle was on board with it. I was at the very Board meeting where he told everybody in this room that it was a good plan and was a good way to possibly to look at.

I'm sorry, but this Board did not act the way it should have and went down that road to at least compare proposals and do what they needed to do. We haven't met since. It was brought up this fall that we

were going to meet in December. I encouraged the Chief that it should have been October. We didn't meet at all. Here we are in March and we are going again, I think it's up in June, we extended it in January because nothing happened. If you want us to help you curtail costs than you got to meet with this and we got to come up with some ideas. We've got ideas and we presented those ideas in the past and it's fell on deaf ears. Largely because I think this Board is in bed is SDAO and Jeff Griffin, Wilson Heirgood. That's the way it's perceived to me and I'm sorry but that's just the way it's perceived because nothing is ever done differently. We can save this District money but we've got to come to the table and talk about it. So, I'll quit steaming but the way it came out in the paper, and our efforts being ignored to try and make things better, and on top of that we did do some good things with the HRA, as you know what that's all about, it's good for everybody in this room and everybody in this District. It saved the District money, it saved them approximately \$7,000 the first year, I believe. We have figures, I don't have them with me, that in 8-10 years the District would be saving \$200,000-\$300,000 a year going to this other plan and doing some creative things. Until we do, nothing is going to change.

*Vice President Scott commented that he thought the Board had decided to go with whatever the Insurance Committee came up with. He hadn't heard anything from anybody to disprove that in his mind until this Board meeting.* Gary replied: At the Board meeting we came to, the direction you guys were given by the Fire Chief, I believe, correct me if I'm wrong Chief, which the Board had to look at going to a different agent of record to do what we wanted to do. That never got done and it was dropped. Nothing got done. We're still in the same boat we always were. I was at that meeting. That was approximately, I would guess, July of last year. We had to get going on it; we had to get things rolling. Nothing ever happened at your level and that's why it never got done.

## **5. Financial Reports**

### **a. 2007-2008 Audit**

Tom Romig, Romig and Associates, conducted the 2007-2008 audit for the Fire District. He presented the audit to the Board. Being the first year Romig and Associates did the audit, it took a little longer. Mr. Romig found that the books were in good order. He didn't find any significant exceptions. He reported that there is approximately \$3,000,000 in receivables outstanding; approximately half those are in collections. The audit shows a negative \$400,000 in net income from the Ambulance Fund, in part because of the increase in reserves for bad debts.

There are no problems with internal controls. There is a new requirement concerning internal controls which is that the District is expected to have somebody on staff who is capable of preparing the financial statements in accordance with general acceptance audit standards and governmental accounting principles. The District currently does not have this. President Storey indicated that Finance Officer Phil Hull will hopefully be able to do this within the next two years.

The Board followed along with Mr. Romig as he continued through the audit document. President Storey asked if Mr. Romig had a list of the entire District's building assets. He replied that he did. She asked if he knew what the value of the new fire station is. Mr. Romig believes that it is valued at \$1,600,000. Vice President Scott would like to have the two absent Board members have a chance to ask questions. President Storey indicated that she would like to set up a special meeting to approve the audit. She clarified that the District will accept the audit at this time from Mr. Romig. Phil asked if the audit would be available to the public. President Storey replied that it is not public until the Board

approves it. The Board will look at scheduling a special meeting next week for all Directors to review the audit.

#### **b. February 2009 Report**

Phil Hull presented the February 2009 report. He reported that 67% of the fiscal year has elapsed. Fuel costs expenditures for the General Fund are at 38.54% and Ambulance Fund is at 42.78%. Phil then continued through the report. The General Fund revenue is at 96.3% and expenditures are at 60%. Ambulance Fund revenue is at 69.2% and expenditures are at 59.2%. Expenditures for Suppression are at 61.3%, Prevention is at 54.9%, Administration is at 58.6%, Training is at 50.7%, and Hazardous Materials is at 43.8%.

Vice President Scott asked about the VARIANCE column on the reports. Phil reported that this is a column that he cannot remove from the report, but it basically represents what is left to collect or expend for the rest of the fiscal year. After the report, Vice President Scott made a motion to accept the financial reports for February 2009, seconded by Secretary-Treasurer Green, carried unanimously.

### **6. Action Items**

#### **a. Resolution for FlexLease**

Chief Wenzel reported that this is an update of the Resolution 09-01 that was approved at the February Board meeting. Vice President Scott made a motion to read Resolution 09-01 by title only, seconded by Secretary-Treasurer Green, carried unanimously. Stacy Brainard read Resolution 09-01 by Title only. This is a resolution approving the financing agreement whereby the District finances certain real or personal property; and authorizing the officers of the District to execute the financing agreement and such other documents and certificates as may be necessary to carry out the transactions contemplated by the aforementioned agreement.

Vice President Scott asked if Attorney Gourley had a chance to review this Resolution. Chief Wenzel indicated that he had reviewed it. Vice President Scott made a motion to adopt Resolution 09-01, seconded by Secretary-Treasurer Green, carried unanimously.

#### **b. Decision on 911 User Fees**

Tabled until the next meeting.

#### **c. Decision on intent for next ASA assignment**

Chief Wenzel asked for a motion to enter into the ASA agreement with Board of Commissioners. The current contract expires at the end of June. Vice President Scott commented that one of the things that had been talked about in earlier Board meetings was to try and do some things differently with the amount of exposure that the District has with the Ambulance Service. He is wondering if they approve this tonight if it will continue to be exactly the same as it has been. Chief Spradley reported that the Ambulance Advisory Board is making some changes, but we don't have those right now. President Storey clarified that the Board would make a motion to give Chief Wenzel the authority to go ahead and look into continuing our ASA. Vice President Scott asked if anyone else showed an interest in this ASA. Chief Wenzel has not heard that anyone has applied or shown interest. Secretary-Treasurer Green made a motion to moving forward with our intent to provide the Ambulance for ASA #5, seconded by Vice President Scott, carried unanimously.

Vice President Scott then stated that he would hope that the District would fully hear what the firefighters and paramedics have to say as far as their ideas about what ambulance service we can provide and what we can do as far as making it as cost effective as possible. President Storey commented that it might be nice to hold an open meeting where all of the personnel could state their opinions. The Board agreed that they would like to hear them.

President Storey then commented that the Board knows that the personnel have cut back and have changed everything to help this District. She does not know where the statements in the newspaper come from. She took offense to what was stated in the last article.

**d. Approval to submit Assistance to Firefighter Grant application**

Stacy Brainard reported that the Fire District would like to submit a grant proposal to the Assistance to Firefighter Grant for a pumper. The total estimated cost would be \$600,000, which is what we would ask for in the grant. Based on the size of our District, we would have a 20% match, or \$120,000. Secretary-Treasurer Green made a motion to approve submitting an AFG grant application, seconded by Vice President Scott, carried unanimously.

**e. Approval of the February 24<sup>th</sup> Regular Meeting Minutes**

These minutes were tabled due to lack of a quorum.

**f. Ratification of February 2009 Bills**

A motion was made for ratification of the February 2009 bills by Vice President Scott, seconded by Secretary-Treasurer Green, carried unanimously.

**7. Informational Reports**

**a. Update on insurance and additional information – Jeff Griffin, Wilson Heirgood**

Jeff Griffin presented an update on the District's insurance. He reported that at the end of 2008, the District received a check for about \$8,245 from SDAO based on the District's loss ratio. That also freezes most of the District's rates for the next three years. Worker's Compensation base rates should stay very similar for the next year.

Mr. Griffin talked a bit about the MRSA bacteria. He indicated that SDAO will be recommending some different cleaning materials to make sure personnel are safe. He handed out some more information about MRSA. He also reported that the Cancer Bill is going through the system. This bill will become effective January 1, 2010. He indicated that the costs to the Fire District will not be incurred for a couple of years. Mr. Griffin thinks that maybe one or two cancer issues will surface each year.

Mr. Griffin offered SDAO's services in regards to OSHA. They have employees they can send down to conduct a walk through to identify any potential OSHA issues. In addition, they have employees who can conduct safety training for the Fire District.

**b. Amended Petition for Property Withdrawal**

Chief Spradley contacted Attorney Gourley by phone. Attorney Gourley commented that a hearing is scheduled for March 31, 2009, to set dates.

## **Administration**

### **a. February 2009 Web Site Statistics**

Celeste Grimes continues to add new information to this report. President Storey and Vice President Scott commented that they were impressed by the web site.

### **b. April Chief Officers and Duty Chiefs schedules**

The Board reviewed the Chief Officer and Duty Chiefs schedules.

### **c. Thank you letters**

The Board was presented with the thank you letters received by the District during the past month.

### **d. March Fire Chief's Community Activity Memo**

Chief Wenzel presented his monthly community activity memo to the Board.

### **e. Other reports of the Fire Chief**

Chief Wenzel reported that the Strategic Plan team had their last meeting on March 12<sup>th</sup>. The Board will be presented with the final Strategic Plan document at the next meeting. This plan will be used to assist in the budgeting process. Chief Wenzel will also be giving updates regularly at the Board meetings. Vice President Scott replied that he was impressed by the work done by the Strategic Planning Team.

## **Operations**

### **a. Incident Activity through February 28, 2009**

Chief Spradley reviewed the incident activity report through the end of February. Currently, the District is running a little low on call volume based on the same time last year. He reported that we are getting fewer requests for mutual aid on EMS calls.

### **b. March Operations Chief Community Activity Memo**

Chief Spradley presented his monthly community activity memo. He commented he has been working on a lot of in-office work this month. He also reported that he has been attending the 911 User meetings. He will have an update at the next Board meeting.

Chief Spradley asked Captain Brainard to give a brief report on the Scott Firefighter Stairclimb. Captain Brainard reported that there were eight employees who participated and everyone completed the climb and had good times this year. Vice President Scott and President Storey commented on the positive article in the Herald and News prior to them going.

## **Training/Ambulance**

### **a. March Training Calendar**

The Board reviewed the training calendar for the month of March. Chief Keady was not present at the meeting.

### **b. February Training Statistics**

The Board was presented with the February total training statistics.

**c. March Training Chief Community Activity Memo**

President Storey asked about the tabletop exercises at the regional hospitals. She asked which hospitals. Chief Spradley commented that a committee made up of HPP members participates in putting together these training and this also included Sky Lakes.

**d. EMS Billing Reports**

President Storey asked about the "Private and Time Pay Aging" on the Billing Report. The report does not show anything received for the 31-180 periods. Chief Wenzel will follow up with Chief Keady on this. President Storey asked if the invoices we send out states that we take credit cards. Phil believes that this may be in the footer section of the invoice.

**Prevention**

**a. March Fire Marshal Community Activity Memo**

Chief Kenworthy presented his monthly community activity memo. He has been working on submitting a Fire Prevention grant application. Fire Prevention has asked for \$17,950 to purchase an inflatable fire safety house. President Storey asked when the Fire District would find out if we received an award. Chief Kenworthy replied that it would probably be about October of 2009.

Chief Kenworthy reported that Deputy Fire Marshals Romano and Harder attended the Oregon Fire Marshals Association conference in Salishan when they also represented the Klamath County Fire Prevention Cooperative. They won first place while representing the cooperative for their static display on fire extinguishers, smoke detectors, and Residential sprinkler systems. The Klamath County Cooperative was also nominated for a Smokey award by the State Fire Marshal's office.

**8. Adjourn**

The Board adjourned to Executive Session at 8:52PM under section 192.660 (2) (d) to conduct deliberations with the persons designated by the governing body to carry on labor negotiations and 192.660 (2) (e) to deliberate with persons designated by the governing body to negotiate real property transactions. The Board of Directors did not reconvene to regular session.

**The next regularly scheduled meeting of the Klamath County Fire District No. 1 Board of Directors will be at The Center for Occupational Health, 2621 Crosby Ave., on Tuesday, April 21, 2009 at 7:00 PM.**

**BOARD MEMBERS SIGNATURES**

\_\_\_\_\_  
**PRESIDENT**

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**VICE-PRESIDENT**

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**SECRETARY / TREASURER**

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**DIRECTOR**

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**DIRECTOR**