

**Board of Directors  
Minutes**

**Special Meeting**

**April 7, 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 Klamath County Fire District No. 1, 143 N Broad Street, Klamath Falls, OR 97601

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

**Members Absent:** Mike Harrigan, Director

**1. Call Meeting to Order**

President Storey called the meeting to order at 7:00PM.

**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**

There were no public comments.

**5. Action Items**

**a. Motion to Accept the 2007-2008 Audit**

President Storey commented that in the audit report on page 9, Statement of Net Assets. The Capital Assets, Net of Allowance for Depreciation \$3,900,063. President Storey commented that the auditor had previously made a statement that the District's assets had decreased by \$1,142,000 this year; \$430,000 of this decrease is related to depreciation of the District's fixed assets. President's Storey had the auditor send her a copy of what he was working from. The Audit reflects the following land values: Station 1 - \$2,000, Station 2 - \$3,500, Station 3 - \$1,500, Station 4 - \$1,500, Station 5 - \$5,000, and Station 6 - \$1,500. President Storey commented that our assets are understated tremendously.

President Storey reported that the District's insurance on the Capital items that are insured, the District is insuring \$7,000,000 worth of items. She does not believe that the audit shows a realistic view of what the District's assets are. President Storey indicated that this cannot be changed during this audit, but she would like to see it changed during this next year. If it cannot

be changed due to state regulation, she would like a letter attached with the District audit stating the true value of the District's assets.

Vice President Scott asked if there was any difference between an audit and a financial statement. Finance Officer Hull replied that an audit is done in a mandatory format whereas management can determine the layout of the financial reports. Vice President Scott asked if a member of the public asked to see the audit, is this the audit document we would show them. Finance Officer Hull replied that was correct. Vice President Scott then asked about the statement at the end of the audit that says "This report is intended solely for the information and use of the Board of Directors and Management. It is not intended to be, and should not be, used by anyone other than these parties." Chief Wenzel commented that this is a disclaimer that is probably put on the end of all audits.

At this point, Director Schuster asked for a few minutes to review the audit. The Board adjourned at 7:13PM for a short period.

The Board reconvened at 7:20PM. A motion to accept the 2007-2008 audit was made by Secretary-Treasurer Green, seconded by Director Schuster, carried unanimously.

**b. Motion to Accept the SAFER Grant**

Chief Wenzel gave a brief presentation on the Staffing for Adequate Fire and Emergency Response. On June 24, 2008, the Board of Directors gave staff the approval to submit an application for this grant. On January 16, 2009, the Fire District was awarded the grant. Fire District No. 1 was the only fire agency in Oregon to receive this grant. The grant is for \$600,280 over a five year period. The first four years have a declining grant award and by the fifth year, the Fire District is expected to pay all expenses. This grant is for six firefighters.

The Board reviewed the District's cost associated with the grant. Over the time frame of the grant, the District's portion equals \$1,902,000. President Storey asked if Chief Wenzel could provide the total in overtime that will be saved by hiring these six firefighters. Chief Wenzel reported that it is hard to predict that, but by hiring six personnel, that would increase the staffing available to 20 per day, and would allow a couple people off each day before having to hire back. Chief Spradley reported that we budgeted \$760,000 in overtime for the suppression division this current budget year.

President Storey asked Chief Wenzel if the Fire District would be in a financial position in five years where this additional expense is not going to hurt the Fire District in wages. Chief Wenzel believes that the increase in property values will be enough to cover these expenses. Vice President Scott stated that he is worried that the District has to borrow money now to meet the obligations towards the end of the fiscal year. Finance Officer Hull confirmed that this is true, but not all of that is attributable to payroll.

Director Schuster expressed his concerns that the District would not be able to pick up this additional expense. The Board explained that the revenue in the 2006-2007 audit was inflated due to the Co-Gen payment and Director Schuster felt better after this. President Storey also commented that this would help current personnel not having to work so much to cover

overtime. Vice President Scott agreed with this comment. President Storey asked how long it would take to hire these personnel. Chief Wenzel reported that through the hiring process, these personnel should be online by July 15, 2009.

After much discussion, a motion to accept the SAFER Grant was made by Secretary-Treasurer Green, seconded by Director Schuster, carried unanimously.

**6. Adjourn**

The Board adjourned at 7:55PM

**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**

\_\_\_\_\_  
**VICE-PRESIDENT**

\_\_\_\_\_  
**SECRETARY / TREASURER**

\_\_\_\_\_  
**DIRECTOR**

\_\_\_\_\_  
**DIRECTOR**