



Fire Chief Beau Bakken

MASON COUNTY FIRE DISTRICT 2

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Mason County Fire District 2

Meeting Minutes

Audit Exit Conference/Budget Hearing

November 12, 2013

EXIT CONFERENCE

Present: Audit Lead: Bonnie Ye, Audit Supervisor: Zac Wilson, Commissioner's McIntosh, Quigley, Blackwell, Burrus, Hamilton, Chief Bakken, Assistant Chief Cooper and Executive Assistant Katie Patti

Meeting called to order at 4:33pm

Introductions were made around the room.

Audit Lead Bonnie Ye provided a handout to members of the board (attached) and provided a report of the draft results of the independent audit that was conducted on site.

This audit focused on two items. The first was on Accountability and the second was Financial Statements for years 2011 and 2012. The accountability audit report provides a summary of the work related to safeguarding of public resources and legal compliance. Items reviewed included: Petty Cash (Travel and Revolving Fund), Payroll disbursements, Procurement – bid law compliance and controls over key software applications.

Bonnie made a verbal recommendation that in addition to controls that are currently in place regarding petty cash that each month Chief Bakken sign and date the reconciliation sheet's to ensure cash transactions are approved and handled correctly.

Bonnie thanked Chief Bakken and Executive Assistant Katie Patti for their help and cooperation during the audit.

The Financial Statement Audit provided the auditors opinion's on the financial statements and their report on internal control over financial reporting and on noncompliance and other matters. The following items were brought to our attention: there were no material misstatements in the financial statements corrected by management during the audit; no significant deficiencies in the internal control over financial reporting were identified; and no instances of non-compliance were identified.

In closing, the auditor provided exit recommendations for our consideration which included ensuring the District follows appropriate purchasing policies and procedures ensuring that competitive bid requirements are met.

The next audit will occur in October, 2015 and will cover the following areas: Accountability for Public Resources and Financial Statement.

Commissioner McIntosh moved to adjourn the meeting; Commissioner Hamilton seconded the motion; motion approved. The meeting was adjourned at 4:56pm

BOARD FOR VOLUNTEER FIREFIGHTERS

Present: Josh Hasbrook, Kelley McIntosh, Thomas Morrow, Scott Cooper, Shelby Blackwell

Meeting was called to order at 4:57pm

Two volunteer physicals were presented for payment.

Shelby Blackwell moved to approve the two physicals; Scott Cooper seconded the motion; Motion approved.

Shelby Blackwell moved to adjourn the meeting; Scott Cooper seconded the motion; motion approved. The meeting was adjourned at 4:57pm

PUBLIC BUDGET HEARING

Meeting was called to order at 4:59pm

Present: Commissioner's McIntosh, Quigley, Blackwell, Burrus, Hamilton, Chief Bakken, Assistant Chief Cooper and Executive Assistant Katie Patti

In the Audience: Volunteer Morrow, Firefighter Hasbrook

Chief Bakken presented the following budgets for 2014. The reported Revenue and Expenses will be \$4,362,050.00. Chief Bakken indicated these monies will go towards the NMRFA. There was no public input.

Resolution 273 – 2014 Budget:

- **Commissioner Hamilton moved to approve Resolution 273 – 2014 Budget as submitted; Commissioner Burrus seconded the motion. Motion carried. (Copy attached to the minutes)**

Resolution 274 – Fire 1% Increase:

- **Commissioner Hamilton moved to approve Resolution 274 – 1% Increase as submitted; Commissioner Blackwell seconded the motion. Motion carried. (Copy attached to the minutes)**

The Meeting minutes October 15' 2013 were presented for approval.

Commissioner Burrus moved to approve the minutes from October 15, 2013 as presented; Commissioner Blackwell seconded the motion. Motion approved.

Vouchers #1311001 to 1311131 in the amount of \$315,123.93 for the month of November were submitted for approval.

Commissioner Burrus requested information on a \$10,800.00 voucher to Tacoma Diesel and Equipment. Chief Bakken explained this is for the purchase of a generator for Station 27 and provided background information on the unit.

Chief Bakken also reviewed two additional vouchers that were added after the Commissioners had received their packet, those vouchers which were for the Visa Bill \$3,021.79 and for the Tahuya River Valley Community Club for \$2,000.00.

Commissioner Hamilton moved to approve the vouchers as presented; Commissioner Burrus seconded the motion. Motion approved.

FINANCIAL REPORT:

Chief Bakken will review the District financials next week.

INFORMATIONAL:

Station 27 Generator: Chief Bakken reported the generator at Station 27 is up and running. We still have the old generator. Some ideas for possible use include the store in Tahuya.

Health Insurance Update: We are still working on the insurance plan for our employees. We were previously insured through a trust and the trust had to be dissolved. Chief Bakken, Katie Patti and are working with our Brokers and the union to explore and secure our options. The rates we have been provided to date and plan coverage's are just as good if not better than we were getting before the exchange opened. There will be more to come on this topic. The insurance plan has to be in place by December 1st.

Chief Bakken also spoke to the Commissioners about the HRA/VEBA arrangement. Four employees have elected to opt out of health coverage and their monies are going to the HRA. New regulations do not allow monies added after 2014 to be used until the employee separates or retires from the district. We are looking at options that they could access should there be an emergency. The union and Chief Bakken are working simultaneously to come up with a solution for all.

New Fire Engine: The new engine came in on Friday – it looks great. There are some differences in the engines that we currently have so folks will need to get acclimated to the engine. This will be first out at the Collins Lake Station.

Commissioner Quigley asked why this engine will not stay here at Station 21. Chief Bakken explained this engine is made specifically for the Collins Lake area.

The ATV trailer also arrived on Friday. Chief invited everyone to take time to tour the engine and trailer.

Commissioner Quigley asked if we participated in the call about a person who was lost in the Tahuya Forrest over the weekend. Chief Bakken reported that we did indeed participate in the search and rescue.

Tahuya River Valley (TRV) Community Club: One of the projects we are working on is partnership with the TRV Community Club. They currently use this community facility as a place to gather in the event of a disaster. They have a lot of “needs” as this is basically a garage with 2 bay doors. We have discussed with Department of Emergency Management and Community Club Members and would like to partner with them to help provide some small items to help in return. The DEM will fund \$3,000 of the items and we will contribute \$2,000, with any additional being picked up by the community club. They hope to have working restrooms, heat and water to name a few following the restoration.

Commissioner Quigley asked if we should do this now or wait until the first of the year. Chief explained that the facility part of it will be done soon and the CRT portion will come to fruition following January 1, 2015.

Volunteer Morrow asked about the other shelters available. Chief Bakken confirmed these structures are indeed still in place; however they are not disaster shelters as defined by the Red Cross.

NMRFA:

Board Workshops with Incoming MCFD8 Board: With the formation of the NMRFA Chief Bakken addressed the Board about a workshop for District 8 and District 2 Commissioners. Commissioner Hamilton prepared a handout with a Part 1 and Part 2 that he believes we should use as discussion topics. The Commissioners were in agreement that a meeting should take place to set the tone for the NMRFA and the partnerships with the District 8 Commissioners. Commissioner McIntosh requested that all of the commissioners need to attend. Commissioner McIntosh will draft a letter for District 8 inviting them to attend a workshop with us on November 26, 2013 at 7pm here at Station 21. We will provide samples of topics in the letter.

Personnel Update: Chief Bakken and Cooper will go to Tahuya tomorrow morning to discuss the possible retirement of Fire Chief Chaffee that may occur as soon as Friday. Chief Bakken will be in attendance at their board meeting on Thursday night. Chief Bakken asked for board direction to draft a bridge agreement to provide oversight in District 8. Commissioner Quigley asked about the liability coverage if Chief Bakken provides oversight for District 8. Chief Bakken assured the commissioners that he is indeed covered.

Upon creation of the new NMRFA logo Commissioner Hamilton would like a new jacket and a shirt. Chief Bakken shared that Firefighter Jeff Yates is heading a committee tasked with designing several logos and options for marketing materials for the NMRFA.

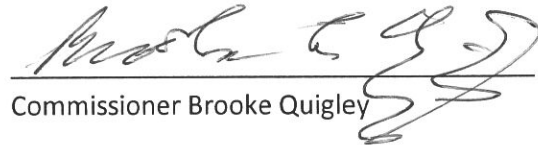
Other Business:

Commissioner Blackwell talked about using your personal email for district business, a topic that was addressed at the Commissioner Conference in Pasco.

Commissioner Burrus moved to adjourn the meeting; Commissioner Hamilton seconded the motion. Meeting adjourned at 6:13pm.



Commissioner Kelley McIntosh



Commissioner Brooke Quigley



Commissioner Dan Burrus

Commissioner Denny Hamilton

Commissioner Shelby Blackwell



Mason County Fire Protection District No. 2

Exit Conference

November 12, 2013

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and Local Audit
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Meeting Agenda

The purpose of our exit conference is to share the results of our independent audit and to provide a forum for open discussion. We are pleased to review our draft reports and discuss other topics as listed below with you.

- Accountability audit report
- Financial statement audit report and other required communications
- Recommendations not included in our audit reports
- Your next scheduled audit
- Customer service survey

Preliminary audit results and recommendations were shared in detail with the District management and personnel as they were developed during the audit. We would like to thank staff for their cooperation and timely response to our requests during the audit.

We take seriously our responsibility of serving citizens by promoting accountability, fiscal integrity and openness in state and local government. We believe it is critical to citizens and the mission of the District that we work together as partners in accountability to prevent problems and constructively resolve issues. As such, we encourage your comments and questions.

Accountability Audit

Report

Our draft accountability report summarizes the results of our risk-based audit work related to safeguarding of public resources and legal compliance. The report does not include any findings. We used risk-based approach and evaluated accountability and compliance with state laws and regulations in the following areas:

- Petty cash/imprest funds
- Procurement – bid law compliance
- Payroll disbursements
- Controls over key software applications

Financial Statement Audit

Report

Our draft financial statement report includes our opinion on the financial statements. It also includes our report on internal control over financial reporting and on noncompliance and other matters as required by *Government Auditing Standards*.

An unmodified opinion will be issued on the financial statements, which means that we believe they are presented fairly, in all material respects.

In relation to our report, we would like to bring to your attention:

- There were no material misstatements in the financial statements corrected by management during the audit.
- No significant deficiencies in internal control over financial reporting were identified.
- No instances of noncompliance were identified that could have a direct and material effect on the determination of financial statement amounts.

Recommendations not included in the Audit Reports

Exit Items

We have provided exit recommendations for management's consideration. They are not referenced in the audit report.

Competitive Bid Requirements Noncompliance

During our accountability audit, we noted the District did not comply with competitive bid requirements by publishing the request for bids and selecting the lowest responsible bidder for the in-house exhaust system.

We recommend the District follow appropriate purchasing policies and procedures to ensure that competitive bid requirements are met.

Your Next Scheduled Audit

Your next audit is scheduled to be conducted in October 2015 and will cover the following general areas:

- Accountability for Public Resources
- Financial Statement

The estimated cost for the next audit based on the current billing rate is \$7,098 plus travel expenses. This preliminary estimate is provided as a budgeting tool and not a guarantee of final cost.

Customer Service Survey

An invitation to complete a customer service survey will be emailed to Beau Bakken, Fire Chief. Your feedback is important to our commitment to continually develop and improve our audit process.

Please don't hesitate to contact our Office throughout the year when you have questions. Our website also offers many resources, including a client HelpDesk for your auditing and accounting questions.

MASON COUNTY FIRE PROTECTION DISTRICT NO. 2
Resolution No. 273

BE IT RESOLVED BY THE COMMISSIONERS OF MASON COUNTY FIRE PROTECTION DISTRICT NO. 2 AS FOLLOWS:

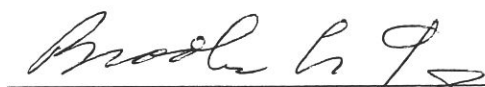
1. That the County Assessor has notified the District that the assessed valuation of real properties lying within the boundaries of said District for calendar year 2014 is **\$1,223,700,098.00** and EMS is **\$1,262,819,847.00**.
2. That the Honorable Board of County Commissioners of Mason County be and hereby requested to make a levy for 2014 for said Mason County Fire District 2 as follows:

A) Regular Levy	\$1,921,000.00
B) EMS Levy	\$620,000.00
C) Refund Levy	
Expense	\$16,563.27
EMS	\$5,336.76

3. That the County Treasurer of Mason County be and is hereby authorized and directed to deposit and sequester the moneys received from the collection of the tax levy specified in Section 2 above.
4. That the summary budgets listed below be and hereby is adopted as the budget of Mason County Fire Protection District No. 2 for the calendar year 2014.
5. That one copy of this resolution shall be delivered to each of the following:
 - A) Board of County Commissioners
 - B) Mason County Assessor Office

FUND NUMBER	2014 REVENUE BARS 389.00.00.0000	2014 EXPENDITURES BARS 589.00.00.0000
Fire District #2 Expense 665-002-010	\$4,362,050.00	\$4,362,050.00


Chairman Kelley McIntosh


Commissioner Brooke Quigley



Commissioner Dan Burrus



Commissioner Denny Hamilton



Commissioner Shelby Blackwell



District Secretary Katie Patti

Mason County Fire Protection District No. 2
Resolution No. 274 Fire
RCW 84.55.120

WHEREAS, the Fire Commissioners of Mason County Fire Protection District No. 2 has met and considered its budget for the calendar year **2014**; and,

WHEREAS, the district's actual levy amount from the previous year was **\$1,889,352.28**; and,

WHEREAS, the population of this district is more than 10,000; and now, therefore,

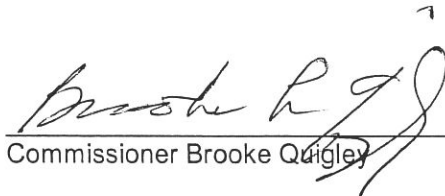
BE IT RESOLVED by the governing body of the taxing district that an increase in the regular property tax levy is hereby authorized for the levy to be collected in the **2014** tax year.

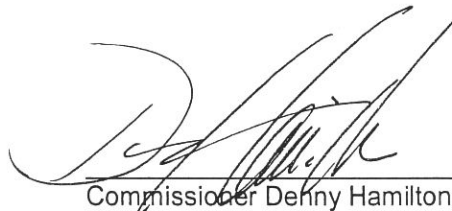
The dollar amount of the increase over the actual levy amount from the previous year shall be **\$18,893.52** which is a percentage increase of **1%** from the previous year. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state assessed property, any annexations that have occurred and refunds made.

Adopted this 12th day of November 2013.


Chairman Kelley McIntosh


Commissioner Dan Burrus


Commissioner Brooke Quigley


Commissioner Denny Hamilton


Commissioner Shelby Blackwell


District Secretary Katie Patti