President Green called the meeting to order at 6:00 pm.

APPROVAL OF MINUTES: Director Woodbury made the motion to approve the minutes of the Joint Board Meeting on December 19, 2018. Director Hickson seconded the motion. Motion passed unanimously.

PUBLIC COMMENTS: None

FY17-18 AUDIT PRESENTATION: Chris Mahr, CPA
- Chris Mahr, CPA, presented the FY 17-18 Audit Report to the Board. Mahr stated that the financial statements provided an unqualified opinion, which refers to a complete audit that has been performed and researched.
- There was lengthy discussion about the GASB 75 which is the PERS Liability having to do with post-employment benefits, an obligation to provide health insurance to retired employees.
- Mahr reviewed pages 3-10 of the financial report. The scope of the audit is to identify areas/items that might be misstated, looking at the transactions that look out of the ordinary. This is where effort is made to reduce risk.
- Mahr said he spent additional time creating journal entries due to the district using cash and accrual accounting methods and suggested the district go to an accrual basis in FY 19-20.
- Director Green asked if the extra work that Mahr had done was outside the scope of the audit, affecting the cost. Mahr said there would be some additional fees and explained that he had talked to McClure about this and had a conversation with the former chief last year. Mahr would rather give input throughout the year instead of performing additional work during the audit.
- Mahr gave an overview of the Management Letter with recommendations to strengthen controls.
- Some items were at the level to report to the state. They include:
  - There are no CPA’s on staff, so the auditors need to assist with drafting the financial reports. Even though staff has knowledge to understand and review the financials, this creates a material weakness in the internal control system.
  - There is lack of segregation of duties due to the limited number of the staff employed. Some compensating controls do exist which help mitigate risk to the district. Mahr had no recommendation to do anything different.
  - The district exceeded Personnel Services appropriations due to unexpected Conflagration payroll. Capital Outlay exceeded appropriations due to underestimating improvement costs.
- Mahr said the board should continue to review financial statements and ask questions. Mahr will provide a letter that states the auditor has reported these material weaknesses and that the district will continue to mitigate controls. The letter will need to be signed by the Board President and the Chief.
FINANCIALS:
- McClure reported that we are halfway through the year, the financials are tracking at 50%, and there are no areas of concern other than overtime is high due to call volume and PERS is high. She will report back on PERS.
- A vendor list has been generated for annual review for any Director to look at. Director Hickson will look at it when he approves the bank reconciliations.
- McClure is working on 1099’s and will distribute them by January 31st.
- Director Green asked about Audit journal entries. Mahr will give them to McClure.
- Director Hickson had a question about a resident stipend and a check written to PJ Crescioni. A check was written to Crescioni out of the district account to correct an ADP payroll error.
- Director Carnahan asked if the ladder truck payment made in December was the last payment. McClure replied that it was.

MOTION TO RATIFY BILLS: Director Carnahan made a motion to ratify the bills paid and the transfers made for the previous month totaling $175,559.16. Director Phillips seconded. Motion passed unanimously.

OLD BUSINESS: None

STAFF REPORTS:
Chief/Director Report:
- Chief Abel reported that the Chief recruitment is underway.
- Abel is working with Florence PD and dispatch to improve the level of service.
- Staff will be starting on the budget preparations and will be distributing information soon.

Operations Division Chief Report: Dickerson was absent. Report attached to Board Packet.

Office Manager’s Report:
- McClure referred to a memo and spreadsheet in the packet to answer Director Phillips questions about the Capital Reserve transfers. McClure said the transfers were in the proposed budget and discussed at the second budget meeting to remove. Directors Phillips and Carnahan (and Marvin Tipler from the audience) said they were under the impression the transfers would take place when money was available and disagreed with the conversation McClure referred to.
- SVFR had one payroll error for December which was corrected by ADP.
- McClure has been working on the Seismic Grant with help form HGE to compile the closeout paperwork on the state’s checklist. The final reimbursements will be in the mail next week.
- Looking to schedule dates for the strategic plan and budgeting. Director Carnahan suggested that now is the time for planning and to watch district spending. Carnahan also expressed the district may need to make some cuts.

NEW BUSINESS: None

DIRECTOR COMMENTS: None

CORRESPONDENCE: None

FUTURE AGENDA BUSINESS: The next regularly scheduled meeting will be Wednesday, February 20, 2019 at 6:00 pm.

President Green adjourned the meeting at 6:50 pm.

Respectfully submitted,
Mary Dimon, Recording Secretary

Recorded meeting available on SVFR website at www.svfr.org