

**POLSON RURAL FIRE BOARD
MINUTES – AUGUST 9, 2006**

Board trustees present: Ross Hoyt, Steve Lozar, Alison Meslin, Fred Nelson, and Ron Ryan by phone.
Staff Present: Fire Chief Tom Maloney, Assistant Fire Chief John Fairchild.
Guests: Volunteer Firemen – Paul Bishop, Joseph Cope, Terry Gembala, Ernest Butt, Jeff Meslin, Tom Sadecki, and Ray Geiser; Paul Mauer, Lester Johnson, Arnold & Luella Gomke, Keith & Sharon Williams, Janice Phillips, Norma Parker, Les Cyr, Jerry Peterson, Roy & Joan Mills, Lee Manicke, Linda Althouse, Rosanne Pfeifer Jones, Kristin Osborn, Mary Ann Mushel, Joan Jarrett, Sid Rundell, Lee Engbretson, and Bob Halsey.

Meeting called to order by Chairman Hoyt 7:05 p.m.

Minutes: Minutes of July 6, 2006 approved as written.

Treasurer's Report:

Operating Fund Balance	\$ 11,761.00
Capital Improvement Fund Balance	\$ 29,515.73
Paid bills in the amount of	\$ 2,348.01

July check numbers 3194 – 3210, both inclusive.
(paid August 9, 2006)

Trustee Nelson requested confirmation on the cash balance in the capital improvement fund. The fund balance of \$29,515.73 is the balance shown on the Lake County Treasurer's Report. **Motion Trustee Lozar, seconded Trustee Nelson to approve treasurer's report as presented. Motion carried unanimously.**

Trustee Meslin requested information on the following items: 1). Lake County is holding approximately \$24,000 in PPL protested real property taxes 2003 through 2005 2) Check #3206 payee St Luke Community Healthcare Network \$272.10 is for physicals. A copy of the itemized invoice is available for review. Trustee Nelson asked if additional properties are included in the protested tax total. The protested taxes amount shown is only PPL. **Motion Trustee Meslin, seconded Trustee Nelson to pay bills. Motion carried unanimously.**

Old Business:

DISPOSAL CONTRACT – Trustee Meslin contacted Allied Waste for a two month credit. The collection wasn't maintained on a bi-monthly basis. The contract will cease November 2006 which will include the two month credit.

ENERGY PARTNERS PROPANE CONTRACT - Trustee Meslin asked the Big Arm Association to consider a contribution for the use of the fire hall. The association voted to pay \$20 per month. The contribute for this year is \$220 to the district for cost of propane and electricity. Trustee Nelson and Trustee Meslin felt it is a wise decision to enter into the contract with the anticipated increase in fuel prices. **Motion Trustee Lozar, seconded Trustee Meslin to enter into a contract with Energy Partners and Chief Maloney sign the contract. Motion carried unanimously. (Copy of contract attached to file minutes).**

TRIBAL LEASE – Chief Maloney reported the lease has been approved with the proof of insurance submitted. Trustee Lozar indicated all the necessary steps have been completed with the Tribal Council. Trustee Meslin requested a copy of the lease.

SMOKE DETECTORS – Chief Maloney presented a bid in the amount of \$515.64 from Mission Valley Security, Inc. to install heat and smoke alarms in the lower floor. The labor will be donated. Monitoring is approximately \$15 per month. **Motion Trustee Nelson, seconded Trustee Lozar to install smoke and heat detectors in the Big Arm Station Motion carried unanimously.**

SALE OF SECOND SLIDE-IN – Chief Maloney indicated the slide-in has not been advertised due to the super busy fire season. The Fire House Magazine provides free advertising. An ad in the Missoulian would also be helpful since the slide-in for type 6 engines provides a best value package. Trustee Meslin offered to assist with digital pictures and the advertisement. Trustee Meslin expressed thanks on behalf of area residents to the volunteers for their hard work last night containing a grass fire that endangered 15 homes. Chairman Hoyt indicated the fire burned 55 acres in 25 minutes. Saturday a 13,000 acre grass fire was contained. Applause by those in attendance in appreciation of volunteers.

SUMMARY OF BOARD MINUTES – Trustee Meslin indicated at a previous meeting Karen Sargeant, public information official, volunteered to complete the summary of minutes and post minutes on website. Since Karen is super busy, Alison volunteered to complete the summary with board approval. Trustee Lozar requested the board approve the minutes. **Motion Trustee Meslin, seconded Trustee Lozar to rescind prior motion (June 8, 2006) regarding summary minutes and Alison, volunteer to complete summary minutes, obtain board approval and send copy to Chief Maloney for website posting. Motion carried unanimously.**

New Business:

ANNEX SECTION 30 – Chairman Hoyt advised the board the next step regarding the annexation of Section 30 (Meadowlark Lane area) is to send a letter to Lake County Commissioners confirming Polson Rural Fire Department will provide fire service to the area. Section 30 is contiguous to the northwest side of the present coverage area. Trustee Nelson asked if the residents have de-annexed out of Chief Cliff Service area. The approval letter needs to be sent to the commissioners before Section 30 can request de-annexation; then the commissioners will schedule a public hearing.

INSURANCE COVERAGE – Chairman Hoyt indicated the Big Arm Association is required to have a \$1,000,000 liability insurance coverage to comply with the terms of the tribal lease agreement. Trustee Meslin contacted an insurance company for quotes. The county indicated the association is considered low risk and would only need \$500,000. Chief Maloney indicated the fire department has a \$1,000,000 coverage and the association is required to have the same coverage. Raymond Law Office provided a letter stating the coverage requirement. (Copy attached to file minutes).

LAND DONATION – Chief Maloney will contact the donor of the land donated on Tower Road for an extension beyond 10 years to construct a station. It doesn't seem to be an issue at this time. Trustee Lozar requested a confirmation for the next meeting.

EQUIPMENT PURCHASE – Chief Maloney presented the costs to purchase the tender. Following the August 7, 2006 meeting, Trustee Nelson suggested Chief Maloney contact Pierce for a price reduction of \$15,000; The exterior lighting and built-in distribution shoot was removed for a reduction of \$9,200 with a final cost of \$177,516. The fourth bidder was U.S. Fire Equipment in Tacoma Washington. Amortization schedules were analyzed with a \$50,000 early payment from the operating fund over a 7 year period. The two proposals 1) Use \$18,000 from capital reserve fund and borrow \$500,000 with an annual payment of \$85,388 or 2) borrow total \$518,000 which raises the annual payment to \$88,000 with a difference of approximately \$3,000 in annual payment per year. The annual payment \$85,388 on \$500,000 sets the total cost of project at \$587,000 Annual anticipated special mill levy revenue is \$72,000 and funds from operating budget of \$13,400 to satisfy payment of \$85,388. The fact that prioritized equipment upgrades and everyone in the Big Arm Station will be outfitted with turnout gear purchases will be minimal. Grants have played a large part in replacement of needed items. Trustee Ryan asked for a consensus of the board for use of capital reserve funds. Trustee Nelson objects to borrowing money from the reserve fund; the reserve fund should be in place to cover unanticipated major expenses. The department needs two pieces of equipment; but will not support any motion to take money out of the capital reserve account. Admittedly told the Chief any extra funds that come in even if it is a dollar must go into the capital reserve account to possibly make extra payments or whatever it may be. Second thing watch budget and don't purchase unneeded items the dollars aren't there. I don't like exceeding the budget that the taxpayers gave us. Chief Maloney indicated the volunteer participation in a wildland fire last weekend earned \$4,000. Trustee Lozar agrees with Fred on budget expenses and putting money back in the capital reserve fund; but is in favor of using \$18,000 from capital reserve fund to purchase two trucks. Trustee Ryan suggested a compromise of money expended from the capital reserve would be workable. Trustee Meslin referred to the information provided during the mill levy campaign. The trustees pledged a frugal budget without neglecting the safety of the firefighters and maintenance of fire fighting vehicles, a conservative operation budget to cover expenses over the next few years will enable the trustees to put money back into the capital reserve for unanticipated expenses and make additional annual payments to reduce the length of the bond. The bond did pass by a narrow margin 859 to 690 the general public was uncertain. Use of capital reserve funds should not be compromised and advertise the bid package for the tender again with perhaps more generic specifications and obtain bids from more companies to create competitive bids. A second vehicle is needed, but reluctant to exceed revenue projections. The \$88,000 annual payment over a seven year period equates \$616,000 over the \$480,000 projected revenue with growth. The equipment for the trucks needs to come from the operation funds which is tight. Suggest looking at other option to get second truck. Trustee Ryan requested the downside to delay the purchase of the second vehicle. Chief Maloney indicated a 2007 engine will increase the cost by \$16,000, therefore, the cost of the tender will be \$193,000 with November 2006 bid requests. The tender specifications are more generic than the engine. Big Sky Fire had three weeks to complete the bid proposal. Central States didn't want to submit a bid if the department wasn't interested in buying their product. Tender delivery is scheduled in December 2006. Trustee Meslin noted the recently purchased used brush truck is already having problems and needs to be replaced.. Alternatives are to look for a used vehicle, wait two years to analyze tax revenue. Chief Maloney analyzed a future value increase of \$35,000 in one year with a \$105,000 increase in four years. The truck committee was comprised of fourteen members. Total cost of borrowing \$518,000 is \$608,000. **Motion Trustee Ryan, seconded Trustee Lozar to move forward with the purchase of the second vehicle and use \$6,000 of the capital reserve funds.**

The volunteer firemen voiced the group is committed and focused to making the project work. Chief Maloney told Jan Phillips all volunteers are fitted with turnout gear from grant funds. Gear for new volunteers in the growing district is available. In Big Arm generally only two people respond. The training is more of an issue. **For motion Trustees Ryan and Hoyt; Trustees Nelson, Lozar, and Meslin opposed. Motion Trustee Nelson, seconded Trustee Lozar to obtain a loan from 1st Interstate Bank in the amount of \$518,000 at 4.88% for a seven year term. For motion Trustees Hoyt, Lozar, Nelson and Ryan; opposed Trustee Meslin. Motion carried.**

FY '06-'07 BUDGET - The expenditure budget was revised at \$111,971. The anticipated revenue is \$115,255. **Motion Trustee Nelson, seconded Trustee Lozar to accept FY '06-'07 budget. Motion carried. Trustee Meslin abstained.** Trustee Nelson spoke of his concerns to the chief regarding deposit of unanticipated funds to the capital reserve fund. and to implement a conservative budget with regard to operational expenses because the money isn't available.

MEETING LOCATION - Jan Phillips thanked the board for arranging the meeting in Big Arm this evening. Several Big Arm residents were able to attend the meeting.

Adjourned at 8:12 p.m.

Ross Hoyt, Chairman

Alison W. Meslin, Secretary-Treasurer

