



Quincy Fire Protection District

Board of Directors

Meeting February 9, 2023

Feather River Bulletin Conference Room

287 Lawrence St. Quincy, CA 95971

I. Chairman Mike Taborski called the meeting to order at 8:00 a.m. with Treasurer Andy Ryback, Commissioner Johnny Mansell, Fire Chief Robbie Cassou, Administrative Secretary Karrie White, present guests Plumas County Auditor-Controller Martee Neiman, Treasurer Julie White, CAO Debra Lucero, and County Supervisor Greg Hagwood.

II. Public Comment:

- Taborski explained that we have our guests here to discuss our intentions of leaving the County services to do our own auditing, payables, and introductions were made. Taboski thanked all of them for coming in today. He asked Robbie to offer some background on why our fire district is planning to take over its accounting responsibilities.

Cassou: “Briefly, I want to apologize to everyone. I got the impression pretty clearly that a lot of people felt blind-sighted by this. I take 100% responsibility, for why that happened we have been discussing this as a board since 1999 when I became Fire Chief. Recently in the last three years, we finally decided to go down this road. I have heard many phone conversations out of our office with the County I had assumed everyone knew.

Having said that I wanted to point out that the employees at the County have been fantastic to us, we have worked with a lot of good people at the courthouse and beyond, and in no way shape, or form is this a reflection on anybody at the Courthouse or County at all.

We are strictly doing this due to the County having the exact same problems we're having and most everyone else it seems. I can only imagine how many people you have to deal with along with special districts within your County departments, it's got to be a nightmare for you. I was a little bit naïve I thought you'd have some kind of party knowing that we were leaving, with the door hitting us on the way out.

I thought it would be less of a burden for the departments not to have to deal with us, and again I take full responsibility for that. I think the main reason why we are doing this is stress, it's caused a lot of problems for us financially for sure, dealing with a lot of late bills and shutoffs notices.

I watch Karrie in the office daily, it's rare that she is not on the phone going back and forth dealing with some kind of issue trying to make corrections on things. We have a lot of board meetings like this where we do not have the financial statement and sometimes, they are a month behind it's no one's fault I get it, it's the workforce we have to do that. Honestly, the stress in the office for her creates stress in the office for me and it is unhealthy.

One of my goals personally is to do this in a streamlined fashion for the District to better relieve the stress and have better control and understanding I have no idea what money we have, and when I look at something I do not understand it anymore and having it in house will help for sure.

I would like to point out that one of my main reasons originally was for not doing this back in 1999 was embezzlement. I've seen Districts do this and have problems. My biggest concern was oversight on this. That is why we have stuck with the County as long as we have because we felt had oversight.

Now I feel assured we have people we are hiring that will not only audit us internally but do the checks and balances. Having two signatures on the checks I feel more comfortable doing this", he concluded.

Some of the highlights of the ensuing discussing follows:

Julie asked Robbie who is going to be doing that for you, Bequette & Kimmel will be auditing and who is doing the payroll? Robbie responded that the district has reached out to Laura Sprague Bookkeeping to possibly help. Martee questioned if the CalPERS would be part of it. It was explained that CalPERS is another issue it will be going away due to a misunderstanding regarding who is eligible and the added commitment by the District.

Due to pension requirements, Karrie is looking into other types of health insurance. Karrie: "I have been taking classes to educate myself on the OPEB (Other Post Employment Benefits) and GASB (Governmental Accounting Standards Board) requirements. We might be losing our insurance because of the transitions needed to comply. I received a request for the letter of intent and resolutions and after they review them I will know more, but again this is not something we are taking lightly. Robbie: I was the last one to get on the county's health insurance back in 1999. Our employees have not had insurance and it is the District's first time offering it.

Julie: You do also realize that a part of this is special districts have to have the authorization to withdraw from the auditor and the treasurer (myself) and that can't negatively impact the whole treasury pool. Your district is larger compared to some of the other Special Districts we have, it's not the school district. If your district is half of the treasury pool, then you are not going to get my signature.

She continued: I do not know off the top of my head what your funds are compared to the rest of the pool, Martee and I can look that up later. I don't think you're large enough also you've researched this well some of our smaller special districts I would say absolutely not even if they didn't affect the treasury pool because they don't have the awareness involved to take care of it. Embezzlement has happened in the past and we have all seen it.

Martee and I will look over the funds when we get back to the office to see how much is there, Andy quoted a little over \$2 million so we are a pool of \$108 million so that is not going to impact the treasury pool. I think that would be fine we also have to look at what checks you have that are outstanding, and what's cleared the liabilities before we can get you the funds, Taborski asked if the time frame we have established at the end of March is realistic in terms, Julie I want to tell you no, and I do believe I told Karrie no that won't happen, but I do see your point in cutting it at the quarter.

Julie: At first, when special districts ask for that paperwork and I completely forgot that you asked for this Karrie, we don't hear anything. We did feel blindsided, but it was not intentional when we went and looked at your minutes of the meetings and you guys had been discussing this for months.

Julie noted in the last few months it has been on the board agenda minutes. She said: Martee and I were thinking it has something to do with another conversation we had publicly at a board meeting, but I think we can once we find out how many checks are outstanding and quarterlies.

Martee explained the accounts will not close due to the tax apportionment that will go into our account at which time a check will have to be issued, Andy questioned if it was from property taxes Martee said yes, and direct charges. Julie: Once the apportionments hit and are distributed to the account in May and June. Andy also asked about the residual interest we would get also, Julie said yes.

Debra: We are experiencing issues with the apportionment asking Julie if there are two different things, our quarterly interest apportionments and the tax apportionments.

Martee: Karrie we need to have a cutoff date of when you bring claims will be brought over so they can be processed, I did bring some examples of claims just so we could clarify what happened, you are bringing a claim over on the twenty-second and it's due the twenty-sixth that not a very large turn around time, and some due date had already passed.

Karrie asked to see one and Martee passed along a PG&E claim. Karrie informed Martee the one in question is a bill that is mailed at the end of the month and that it is processed as soon as I get them. Debra had questioned that in this day and age, everything is digital can government set up electronic funds for payment?

Martee responded: That's another whole can of worms, the reason being what we end up paying in late fees and penalties and the special districts pay in fees, and even on a personal level, I'll get a bill just a couple of days before it is due. And it just seems to be a practice around here and then they automatically add \$5 or \$10 in a late fee, I'm not trying to blame anybody, but if we have the opportunity can we set this up?

Julie: We can but I absolutely am not going to do ACH for everybody that we have. Debra: What I am thinking about Julie is utilities the things that come out every month like kerosene, and propane, it would eliminate late fees, Taborski added that they do add up and it is something to think about.

Julie: March 15 is the cutoff date for claims. Karrie: Martee, what would be the date you would need for us to stop? Martee: I would say March 15 if you want your funds by the end of March. Robbie asked if we would have the funds available at that time to pay for those or not.

Julie: Red Flag, have you've been making deposits already?

Karrie informed Julie she has not as of this time and date made no deposits into the account and that some contracts had to be signed due to it being a government public-funded account, and steps we had to take.

Along with the resolutions we had to come to an agreement on what bank account to have for when the funds were transferred as pointed out in the checklist that was given by you. While I have an account number to set up the QuickBooks we have not paid anything out of it.

Taborski asked what the process would be for us if we are setting a date of March 15 to get some revenue to be able to pay our bills moving forward? "It's one thing to transfer the payables off to us but we will need the resources to meet that commitment."

Julie said that is something Martee and I need to talk about because you are asking it to be March 31 per your document, we are looking at a cut-off window of March 15 to 31 before we would have funds available then beginning the new quarter in April. Robbie: So we will be a couple of weeks behind already is there any way to get a care package to hold us over until the funds arrive.

Johnny: I think the concern is the March 15 cut-off date and if those checks clear if there's no money there. On March 15 you would like to make sure that everything clears out before you send the money. Do we need that on March 15, or do we need to transfer that two million in whole on March 31 or can we say give us half now and wait for the rest of the checks to clear? Then when they are cleared transfer the rest of the money, is that an option?

Julie: Probably, yes, that is an option. Karrie was asked how many claims besides payroll are we talking about, I'd say about 15-30 it depends on what quarterly is coming up due and I do not have the dates in front of me.

Julie said: Now that we kind of understand where you guys are at and who's going to do your accounting, you've got QuickBooks, your board going to be the finance committee board, and the treasurer is the Fire Chief, all of that sounds fine. Let Martee and I go back and look at where your cash is and kind of around our time period if we say okay the 31st of March and come up with a plan on how to get your bills paid in two weeks and distribute your funds.

She continued: I don't think it is something we can determine today. Debra asked if maybe they could do a longer time frame and have a March 1 cut-off to give themselves time, Martee the problem is they do not have funds to pay their bills on time, Debra said she liked the idea of getting some of the money ahead of time to be able to pay the bills.

Mansell: The whole goal will be to separate at the end of the quarter and basically any bills we are paying onward would be on us.

Martee brought to the board's attention that Karrie had not done the State Controller Reporting as of last month it was due. Karrie informed Martee that she just received a letter from auditor's department stating there is a new portal and that she needed the new passwords to access the website which Martee said she would provide.

Taborski again said that we apologize if we are causing you any grief we wouldn't have thought that we were. We appreciate your cooperation and your help in moving forward with this transition.

Greg: I would assume you talked with some contemporaries throughout the county and Robbie said that we've done a lot more than that.

Is there a sense of or do you anticipate this becoming a trend with the special districts, Robbie said he did.

Julie: I don't mean to interrupt I have worked in the County office for quite a few years I have seen this twice in the last few months I have had three or four special district's wanting to pull their money out of the county is that what you are asking? Greg: Yes, so Beckwourth Fire did it asking Karrie if she had talked to and worked with them and a few other ones with flood control issues. Robbie: What I was saying before is a lot of people look at the process especially smaller volunteer fire departments and cemetery districts, I think it is a daunting task for them to do it.

Julie: One is the Indian valley area I do not feel it is fiscally responsible when they are not getting any insurance money their volunteers, do not have a building they do not have a board. It's a red flag, that they can't do this but I appreciate your efforts and wanting to do it.

Greg: Did Indian Valley set something like this up in the past?
Robbie: the CSD did many years ago and as I recall they embezzled funds.

Julie: So, if I might say, you guys have definitely done your homework with QuickBooks and with Bequette and Kimmel. We can go back and look at it and will be in touch.

Debra, I would like to add we are really looking at our financial system.

She said we've had Minus since July 1, 2019, it's never been fully implemented. Martee estimates we are using about 20%, the staff is untrained there has been a huge turnover we have had 15 department heads leave since 2019. So what we have is an institution where rebuilding knowledge, knowledge base, and acquiring new knowledge, there is a treasury module we could be utilizing.

We are using Howell, Munis, and excel spreadsheets, we have all these different systems, and it is not integrated. It creates much more work. I think there is a new commitment to use Munis, it is

not as bad as we all thought it was a lack of training. It's a heavy lift, we can get through it and the County will be in a better place. Our goal is to have it up and running by the next fiscal year.

After the lengthy discussion, Taborski thanked everyone for their input.

III. Ryback made a motion to approve January 12, 2023, meeting minutes. Mansell seconded the motion; the motion was approved.

IV. Financial Report: Treasurer Ryback

a. Ryback: Karrie provided financials we have a balance of a little over \$2 million with the county and the restricted balance brings it up to 4,358,234.36.

In the month of December, there was nothing noteworthy, an insurance payment, backup provided and special dept expenses that related to Andy's way property costs and noted that utilities were up as well over \$3k but it's typical for this time of year.

Karrie also explained that that we will be seeing a journal entry increase of \$5,000 credit to the group insurance account due to the auditors' office posting the CalPERS statement and the employee's portion since September 2022.

b. Claims Signed:

- None

V. Other Business:

a. Fire Station 2 replacement:

- Mansell: Karrie e-mailed me a couple of weeks back saying that Skip Partlow's building which is across from mine that is $\frac{3}{4}$ of an acre is interested in selling. Chopper got to talking to Skip. I did go over there and walk the building, location wise it would be good.

The next step would be to get the property appraised that's where we would start. In speaking with him I think that what it would appraise for and what he might want to sell it for is a bit off.

He paid \$175,000 for it last year, the shop is nice but could we find a piece of land and replicate a large building to more our standards? Realistically, I think the property would probably appraise for \$200,000 to \$225,000.

The board instructed Robbie to have further discussions with Skip to get a better understanding of what he really expects before moving forward.

Andy questioned the Bruce Robinson's E. Main property. Mansell said that Cory's smog shop is still there. Robinson's old place or Murry's property are the best two sites I can think of that would work. I would have to talk with ISO to see if the ratings would change, Chief explained.

b. Discussion, and possible action regarding the purchase of Andy's Way property:

- Robbie: On a good note the renters are out in the next week or two. He also said that Chopper and three volunteers went to chainsaw training with the forest service and all received certifications. They have been practicing cutting the trees down on the property.

Jason Ackley just joined as a volunteer and I had previously asked him for a quote from his business to take down the buildings. Jason helped with his heavy equipment for free helping us out spending all day.

c. Discussion and possible action regarding the progress of the LaPorte Facility project:

- No new updates at this time.

d. Discussion and Possible actions on implementing a GAPP financial policy for the District:

- Taborski: Do we need to address this at this time? Karrie: No, we can bench it but the district needs to adopt a general accounting policy this outlines the finance committee's responsibilities. Andy said that he thinks our external auditing might have input on whether or not it's necessary to have one.

e. Discussion and Possible actions on Bequette and Kimmel CPA:

- Taborski: I think we don't have any actions to take regarding John Kimmel we have all decided to move forward with his services, Karrie informed the board members she sent the email invitation for John to serve as our QuickBooks CPA and his firm has accepted.
- Karrie informed the board that she has uploaded the accounts from the county to mirror the salaries and benefits along with the services and supplies, and revenue. I have not done payroll as of yet which was pending the bank account. First-quarter adjustments will be John Kimmel, Karrie has reached out to Laura Sprague, but Taborski suggested we minimize the process by having one do the payroll setup and audits.

Mansell: Now that this is happening to the extent we are receiving our money I think we should fine-tune John's role, and based on what he wants and go from there, Karrie agreed to ask John if he wants to do the payroll and if he's available great if not then have Laura do the setup. Andy,: We have options, but first, we have to

approve the general accounting policy procedures and fine-tune the roles and responsibilities of the Finance Committee.

Taborski: I thought the idea was to set up QuickBooks to save the district the cost of outsourcing the payroll and process in-house.

Andy: Yes, that is what we are going to do but we have to set up appropriate controls, checks, and balances.

Karrie can do it all but that is not what we want. Taborski asked Andy that since you are in tune with the policies and procedures and have the experience I suggest we defer to you and asked Karrie to give Andy the number for Fletcher & Company, our CPA, for their input. Taborski let's do that first then follow up with Kimmel in March.

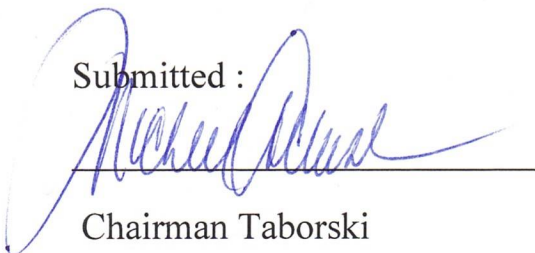
f. Discussion and possible actions on Fire Chief's application and interviews:

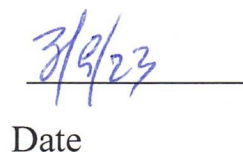
- Karrie handed out several more job applicants to review, Taborski said we close accepting applications on February 15, and all board members now have had a chance to review the first batch of applications and pick a time to review the new ones. We'll set a special meeting to pick our top 3 or 5 candidates and told Karrie to agendize and post a closed personnel special meeting for Thursday, February 16 at 2:00 pm.

VI. Adjournment:

A motions was made by Andy Ryback to adjourn the meeting with Mansell seconded the motion, the meeting was adjourned by Chairman Taborski at 9:28 a.m.

Submitted :


Chairman Taborski


Date

BOC 2/09/2023