

**Murrells Inlet – Garden City Fire District  
Board of Directors Meeting  
September 28, 2020**

**Board Members Present:** Gene Connell, Pat Walsh, Kay Benton, Alison Burns, Beth Ward.

**Others Present:** Chief Haney, Assistant Chief Kosto.

The meeting was called to order at 6:00 p.m. A quorum was present.

Dave DeKleva from the accounting firm Smith Sapp reviewed the 2019 Audited Financial Statements. He reported the firm issued a clean opinion on the financial statements. He highlighted items from the Balance Sheet which shows the District's assets and liabilities on a full accrual basis. The total assets at year-end were 11,863,000. The fixed assets (buildings and equipment) make up nearly half the District's assets at \$5,800,000. \$4,052,000 is the EMS billings and property tax billings. Mr. DeKleva addressed questions regarding the fund balance, stating the fund balance is in essence just the difference between assets and liabilities, not actual cash on hand. The total assets in the general fund are \$5,900,000, but \$4,000,000 are receivables (EMS billings and property tax billings), the actual cash is \$1,300,000, a lot of that cash is budgeted to be expended throughout the remainder of the calendar year based on the property tax collections being front loaded to the beginning of any calendar year with a January 15<sup>th</sup> due date. He pointed out there should be a fund balance in any organization; most governments will retain between 6 to 12 months of operating expenses in fund balance as a prudent financial practice.

Chairman Connell read aloud questions he had received regarding the financial statements and asked Mr. DeKleva to respond:

1. Page 7 of the audit states that the fund balance increased nearly \$320,000 to 4.8 million dollars, of which 4.4 million dollars is unassigned and available for spending at the department's discretion.

Mr. DeKleva: Fund balance is not cash, it is the difference between all the assets - cash, inventory, receivables, and the liabilities.

2. According to the 2019 audit, the District expended \$195,000 more than was budgeted, yet the audit states the budget was not amended. I cannot find anything in the meeting minutes where votes were taken to authorize the additional expenditures.

Mr. DeKleva: We are required to show a budget to actual presentation. It is on page 36 of the financial statements. It presents the budget that was adopted by the board and compares it to the actual expenses incurred during the year. To our knowledge, the budget was not amended through the year.

The Administrative Assistant gave an example of insurance proceeds received in one year and the items purchased with the proceeds in the following year. Would this type of event require an amendment to the budget?

Mr. DeKleva: Yes, the board would have the option to amend the budget.

**Minutes:** Kay Benton made the motion to approve the minutes as presented. Pat Walsh seconded the motion and the motion carried.

**Treasurer's Report:** Kay Benton made the motion to add Chief Haney and Alison Burns as authorized signers on the bank accounts in addition to Gene Connell, Pat Walsh, Kay Benton, and Beth Ward, who are already authorized to sign. Beth Ward seconded the motion and the motion carried.

The one percent funds have been received. Chief Haney recommended the District continue precedent and contribute \$3,000 to each eligible member's retirement. Kay Benton made the motion to send a contribution check of \$166,329. Pat Walsh seconded the motion and the motion carried.

**Chairman's Report:** The new SCDOT Ride3 traffic plan has been presented. SCDOT asked the District to give its input regarding the changes. Beth Ward made the motion to send a recommendation. Pat Walsh seconded the motion and the motion carried.

**2021 Budget:** Chief Haney presented a draft budget in preparation for the first reading of the budget in October. We will not have word from the counties regarding tax revenues until the middle of October. Beth Ward is concerned the ambulance billing may see an increase in bad debt due to the economy. The 2006 fire engine is due to move into reserve status next year. Chief Haney would like to order a new truck next year for delivery in 2022. Ms. Ward would like to see comparison of salaries and number of FTE's. She would like to see a budgeted premium to account for overtime. Included in this request is a boat which would improve our rescue capabilities in both the ocean and the waterway. Additional information will be presented at the next meeting. Capital expenses also include an admin. vehicle, a side-by-side, and an ambulance remount. Ms. Benton asked for the required ten percent down payment for a truck to be added to the draft budget. Ms. Burns clarified that the side-by-side was not a water vehicle, and that it could be used for transporting a patient on the beach.

**Chief's Report:** Assistant Chief Kosto received proposals for the replacement of the carpet at headquarters. Based upon this information, the carpet he recommends is \$4,000 more than the \$15,000 in the budget. Beth Ward pointed out that we are under spent by \$79,000 in capital expenditures so far this year. Ms. Ward made the motion to approve the carpet expenditure of \$19,039.51. Alison Burns seconded the motion and the motion carried.

We have seven openings; five individuals tested today for employment. One employee returned to work from being out due to injury. As we move through the promotional process, the number of EMTs and paramedics positions needed may change.

Chief Haney would like to continue utilizing the training room for board meetings. The larger room would accommodate meeting attendance by the public and staff. This move would allow the conference room to be split into two offices, bringing all administrative officers into the front hallway; utilizing the back office as storage; and making an office for the Assistant Fire Marshal. Ms. Ward would like to see the cost. Mr. Walsh asked if it was possible to store items at one of the other stations. Chief Haney indicated there was not adequate storage at the other locations. This would be a 2021 budget year expenditure. Beth Ward made the motion to allow the improvements pending a review of the cost. Pat Walsh seconded the motion and the motion carried.

Beth Ward pointed out that from a board perspective our revenues were higher, and it would make sense that our expenses would increase to meet volume we were addressing. As a board member, we looked at that every month, and we knew we were over budget; but we knew we were getting the revenue. There wasn't a need for a formal budget amendment because we were looking at the financials and approving them every month. I think we are well on top of this.

Mr. DeKleva stated the net income was \$454,000 above budget and there was not a deficit incurred.

The Chairman said the minutes need to reflect that we have a discussion about the budget, and that we understand it, and approve it, on a monthly basis.

3. Georgetown County reassessed properties this year. The County is required to roll back its millage rate in a reassessment year to avoid a tax windfall. Is it the intent of the Fire District to roll back its millage rate? If not, has there been any consideration of what the property tax windfall might be for the District?

Beth Ward answered the question by stating that as a responsible board, we worked with the County Treasurer to get an estimate of the amount of money expected. It is too early to get that calculation. Those assessments have just gone out and people will be questioning those assessments and the amounts will not be set for some months yet. To ask that question today is not responsible, we need to ask that question before the third reading of the budget to make sure we have the budget set to meet what we expect from the County.

Ms. Ward stated it is a best practice standard to ask management to leave the room and ask the auditor questions without management present. After management left the meeting, Ms. Ward asked if there were any concerns regarding internal controls or other processes. Mr. DeKleva stated things are continuing to improve; it is a small department with a limited number of staff. The accounting firm is coming in on a quarterly basis and performing agreed upon procedures. The same person usually does the quarterly work, and a different group performs the audit. The Chairman asked if there was anything that the board be recommended to do to safeguard the public's money that is not already being done. Mr. DeKleva had no recommendations. Beth Ward made the motion to approve the audit and financial statements as presented. Alison Burns seconded the motion, and the motion carried. Pat Walsh made the motion to make a press release regarding the audit. Alison Burns seconded the motion and the motion carried.

Kay Benton made a motion to enter executive session for a personnel matter. Alison Burns seconded the motion and the motion carried.

The board recessed from executive session. Beth Ward made the motion that J. R. has completed his six-months admirably and performed extraordinarily well, and we remove the probationary period. Alison Burns seconded the motion, and the motion carried. Alison Burns reflected on different components of the Chief's position. Chief Haney has done a great job in the overall financial management of the department; budgetary presentation; alignment with the board; goals and objectives, as well as communications with the board, and public relations. Chief Haney has done an extraordinary job during the emergency crisis that we've had due to COVID.

A nomination for life membership was presented for retired Captain Chuck Petrella by interim Battalion Chief Daniel Richards. Pat Walsh made the motion to bestow life membership to retired Captain Chuck Petrella. The motion was seconded by Alison Burns and the motion carried.

**Old Business:** Pat Walsh asked if there was any news on the use of impact fees for salaries. The Chairman stated there would be no news until the legislature meets again in January. Mr. Walsh also asked for an update on the expansion of the District. The Chairman indicated this would need to be brought up to County Council rather than the Fire Chief.

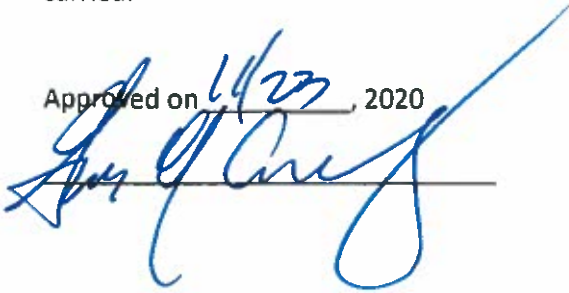
**New Business:** None.

**Public Comment:** None.

Next regular meeting will be held on Monday, October 26, 2020.

**Adjourn:** Beth Ward made the motion to adjourn. Kay Benton seconded the motion, and the motion carried.

Approved on 11/23, 2020

A handwritten signature in blue ink, written over a horizontal line. The signature is stylized and appears to be "Dan Richards".