

MEETING OF THE TRINIDAD AMBULANCE DISTRICT
BOARD OF DIRECTORS
DATE: September 23, 2009

Present: Alex Abeyta, Liz Aragon, Jeanie Hollon, & Kelly Smith

Other Guests: Brandon Chambers, TAD Executive Director
Dodge Shelby, Attorney (By Phone)
Mike Dixon, Auditor

<u>SUBJECT</u>	<u>DISCUSSION</u>
Call to Order	Meeting was called to order at 4:03 pm by Jeanie Hollon.
Proof of Notice	Notices were posted at the Trinidad Ambulance District Office, Las Animas County Courthouse, Trinidad Times Independent and the Chronicle News.
Proof of Quorum	There was a quorum. (Jeanie Hollon states that 4 board members were present). Rick Johnson was unable to make it to tonight's meeting.
Approval of Minutes	Minutes for August 19 th , 2009 board meeting were approved. Motion made by Alex Abeyta and seconded by Liz Aragon to except the minutes. All yes, motion passed unanimously.
Financials	Tom Ortiz was not present at this meeting. Brandon states that Tom's financials were in the board packets. The bank statements were passed out to the board. Jeanie asked the board if they went over the financials done by Tom Ortiz and if they saw anything of interest. The board states there was nothing that needed to be discussed. Brandon now presented his financials to the board. A report reflecting all topics discussed were given to the board members in their board packets. He went over the accounts receivables for ambulance, carevan, and the total accounts receivables. States we are about 4% over on the total AR on where we should stand based on the budget ending right now. He discussed the total expense line items. States that office supplies are high but this needs to be spread out to reflect correctly. Brandon states we are right in line on all line items. Brandon asked if there were any questions on the financials. There was a brief pause, and then Brandon said that there are two line items that are of concern. These are the office supplies which will be corrected. There has been a lot of volume and activity in the office and we have been going through a lot of paper per Brandon. The other line item is the Overpayment Refunds. Year to date we are \$235.00 over what we had budgeted. This is a very hard number to project. Discussion: Liz Aragon asked if the board packets could be processed by email instead of by paper due to the high percentage of office supplies. Brandon states that this would be no problem and would be a good idea. Jeanie asked Alex Abeyta if this process would be ok. He states that this would be ok with him and if it didn't work they could always go back to the regular process. The board

including Brandon states this would save on supplies, delivery costs, and time. Tom's report would be scanned also. Jeanie requested that if they do go with this process that everything that is usually in the packet be shown on the screen due to the fact that they would not have the documents in front of them. Jeanie asked if there was a motion to go paperless as much as possible with the board packets. Motion to accept paperless board packets made by Liz Aragon and seconded by Alex Abeyta. All yes. Brandon states that the Tax Reconciliation Form was given to the board. This document is more of an FYI to let the board know where we stand for 2009. There was a brief discussion on this form. Motion to accept the financials made by Alex Abeyta and seconded by Liz Aragon. Motion passed unanimously.

Billing Reports

Brandon Chambers began his review for August of 2009. He went over the monthly AR, ambulance AR, care van, and the call volume. He states we are staying consistent. There was a lengthy discussion regarding this report between Brandon and the board. Brandon said the billing director was going to be here today but due to surgery she was unable to make it but will come to next months meeting. Jeanie asked if there were any questions on the billing report. There were no questions at this time. Motion to accept the billing report was made by Liz Aragon and seconded by Alex Abeyta. Motion passed unanimously.

Audit Review

Mr. Mike Dixon was present today to discuss the 2008 Audit Report. He started off by thanking the board and Brandon for giving him this time to discuss the Audit. Mr. Dixon states that he will go over an exit conference and a review of the audit report to meet all required standards that we meet with all that are charged with governments not just with management after the conclusion of an audit. He brought up, very briefly, miscellaneous items that are outside the financial information that are worthwhile to visit about. One of them is the large amounts that have been transferred to collections but has not been taken out of receivables. To keep from having your receivables and your uncollectable grossed up in your financials statements. Whenever you send amounts to collections they should be written out of receivables at that point and time so you're not looking at this big number knowing that some of them are not any good due to the fact they were sent to collections and would be happy to get five cents to the dollar on. His recommendation is to do this on a regular basis as it occurs. He also recommends that you don't wait until the end of the year to decide what is collectable and what is not. There is no reason this process couldn't take place a couple times a year. In the depreciation schedule, some items were put together in groupings. It made it difficult when some items were sold or removed. Separate these items so you can identify them separately so if your not using them anymore you can redline it or if you add something you know when it was added and what it was and not just a collective group. Anytime you have a use of vehicles by personnel there needs to be a good structure in place so you don't create tax issues. Mr. Dixon states he thinks we have a good structure in place and an understanding of this

requirement for the use of vehicles. This is appropriate for a business such as this one. These were the miscellaneous items that Mr. Dixon wanted to discuss. His opinion on the audit is unqualified or clean and that the financial statements present variable results of the operations financial position as of December 31st, 2008. He states Brandon does a good job of drafting the management analysis system. Net assets were at \$1.7 million. This is up from \$514,000 to an increase of \$1.2 million net gain. You're aware that you changed in the previous year. Your district boundaries and your tax collections changed. This is the reason going from a previous year net expenditures to an actual current year net revenues of \$1.2 million. The net assets are broken down between about \$53,000 reserved for emergencies under the tax payer's bill of rights and there are some monies in a cap replacement fund that you continue to hold. The other \$989,000 in unrestricted or available for whatever usage the district should choose. For the year ending 2008 your cash flow was \$894,000. This is up about \$40,000 from 2007. However, the previous year you had disbursement for employees and vendors of about \$998,000. So you actually, had about \$140,000 in net cash deficit last year. In the operating side of things which means if you compare your expenses to what you got just from collections for your operations. In 2008 you had \$894,000 of collections but disbursements were up to about 1.3 million. You were up a little over \$300,000 from the previous year. This is why the cash flow in operations is a negative \$412,000 as opposed to \$112,000 for last year. Would the changes for services at the level you collect tem cover your expenditures to operate this district and this shows it would not. Mr. Dixon now discussed the standards that are set. He states that Brandon is charged with management and the board is charged with governments for this district. Standards were required a couple years ago due to changes for those charged with governments. There has to be direct communication between the auditor and those charged with governments. He went over all responsibilities. There is an engagement letter which is available to the board. This explains in detail all that is required. The board has a significant estimate in this organization and collectability of the accounts receivables. They did not encounter any difficulties during the course of the engagement. There were adjustments to the financial statements which were material but they were unusual meaning leaving the adjustment for the accrual for uncollectible accounts. There were no disagreements with management. We requested and received representation when we issued the audit report. This concludes his report. Mr. Dixon now asked if there were any questions. Jeanie asked Mr. Dixon if his recommendation was to do adjustments about twice a year and when the best time would be to do this. Mr. Dixon replied by stating that quarterly would be reasonable. There was a brief discussion regarding the adjustments. Brandon states that Tom Ortiz would ultimately be responsible for this. He would give Tom the numbers and the adjustments would be made. There were not further questions.

Public Comments

None.

Other Agenda Items

Brandon discussed the budget. He has started the budget for 2010. He has received the assessed evaluation from the Las Animas County. The overall number is up by about 200,000,000 and this is good. This will allow that growth in 2010 but the down side to this is very evident that we are definitely going to see a big hit in 2011 fiscal year which will be around 30 to 40 percent. As Mr. Dixon has already expressed, operationally without our tax base we cannot continue in operation because it takes more than just patient accounts receivables. Based on this alone we need to be concerned about fiscal year 2011 and start planning appropriately. Because of our labor restrictions we have a rise in our fiscal assessed evaluation for 2010 budget this will tweak down our mill levy but it will cap us going into 2011. So we can't go above that number at that time. Brandon states fiscal year 2011 is going to be a tough year for Trinidad Ambulance District and we should anticipate some changes within the organization to offset some of those capital expenditures. Brandon states his intentions are to have a preliminary budget by the October board meeting and a final draft in November, but of course this cannot be approved until we get the final numbers on December 15th, 2009 from the county assessor. Jeanie states that the December board meeting will have to be held early. Brandon states we are doing a lot of Stand-By's throughout the community. He states we are utilizing the QRT's for this process as part of the EMS Coalition with intent of raising funds for educational purposes. This money is coming in but is going right back out to the EMS Coalition for the maintenance of this program. Brandon states that the CEBHE grant process was completed and submitted on Tuesday, September 22nd, 2009. He has received confirmation that it was received. This grant will be used for a purchase of a new vehicle with a 50/50 match, purchase of community orientated AED's, and an educational mannequin for training. Jeanine asked if the grant is available next year if Brandon would find it simplified to apply since he has gone through it once. He states that it would be easier but there was more money available this year than there might be next year. Brandon briefly discussed the building process. He states he has information but should be discussed under executive session. Dodge Shelby agreed. Brandon now discussed the High Plains Patient Care Software. He says he has found it very valuable to the organization, not only for billing but also on the concept of tracking numbers on specific reports. He wants the board to look at the Human Resource Component to this software. It would provide us with some definite assets such as scheduling, tracking, and hours especially since we continue to grow as an organization. Discussion: Jeanie asked if this would help with the scheduling. Brandon states it would basically do the mapping for the schedule, and if someone wants a shift trade, they would enter it for submission, then after approval it submits the shift trade. Helps with the time cards, tracks all hours, does comparison based on calls. Jeanie asked if it interfaces with Quick Books for payroll. Brandon states it does not interface directly through Quick Books. Liz asked Brandon how the hours or the clock in works. Brandon states the employees would enter it in but they will continue to use the regular time clock. Currently they hand write their

hours and then it is reviewed and calculated. With this system they enter their time and it is automatically calculated. We are currently working with vendors for a card swipe system. Brandon and the board now went over the price of the component. He states it would cost \$12,500.00 with a \$2500.00 annual maintenance fee. Liz asked if we could wait until they go over the budget in which Brandon said yes. Jeanine then asked if the annual maintenance fee we are currently paying would cover this component also. Brandon states it does not. There would be an extra charge. There was a lengthy discussion on this topic. The board and Brandon tabled this discussion until after the grant and budget are discussed in December. Jeanie asked if there were any other topics to be discussed. There were none.

Executive Session

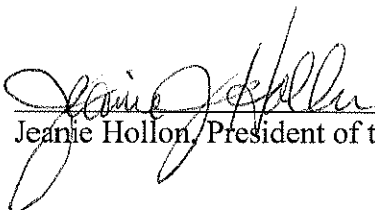
Brandon cited C.R.S. 24-6-402 subsection 1, 2, 4, & 6, regarding legal advice, contract negotiations, potential litigation, and personnel matters. Dodge Shelby has requested the board not record the executive session due to attorney client privileged information. All agreed. Jeanie Hollon asked if there was a motion to go into executive session. Liz Aragon made the motion to go into executive session. Alex Abeyta seconded the motion. All yes, motion passed unanimously. Board went into executive session at 4:53 p.m.

Regular Session

Board came out of executive session at 5:51 p.m. Jeanie states that a couple of people are needed to serve on a design committee. These people will meet with Brandon to determine how they want the design lay out of the building. They will also make suggestions to the board on this layout and recommendations on architects. Jeanie asked if there were any volunteers. Alex Abeyta and Liz Aragon both volunteered to be on this committee. No vote was needed. Jeanie Hollon states the next meeting will be October 21st, 2009 at 4:00 p.m. at the Trinidad Ambulance District office. The agenda will remain the same with the exception that the Review of the Preliminary Budget be added. Alex Abeyta made the motion to adjourn at 5:54 p.m. Liz Aragon seconded the motion. All yes.

The minutes for September 23rd, 2009 were respectfully submitted by April Martinez on October 14th, 2009.

Minutes Approved by Trinidad Ambulance District Board.



Jeanie Hollon, President of the Board of Directors

9/23/2009

Date