

**MINUTES OF THE WARREN-WAUKEGAN FIRE PROTECTION DISTRICT  
GURNEE FIRE STATION #2  
Wednesday October 20,2004**

Phillip DeRuntz, Trustee, called the meeting of the Board of Trustees of the Warren-Waukegan Fire Protection District to order at 7:30 p.m.

Trustees Present: John Badtke, Phillip DeRuntz, Marty Klauber

Other Officials Present: Linda E. Spring, Attorney

Others Present: Marsha Baker, Recording Secretary  
Tom Castino (past District Treasurer)  
John Kavanaugh  
Bob Ells  
Steve Carlson

**\*\*THESE MINUTES ARE NOT A VERBATIM ACCOUNT, EXCEPT WHERE OTHERWISE NOTED\*\***

**PRESIDENT'S REPORT:** There was no president's report.

**TREASURER'S REPORT:** Trustee DeRuntz thanked Mr. Castino again for his continued assistance as this will be the last month that Mr. Castino will be presenting the treasurer's report. Mr. Castino indicated he develops the report on a monthly basis to be congruous and line up with the bank statements. The totals listed on the report are for the calendar month of September and the balances that have not cleared. Trustee DeRuntz reported that he received a payment from Lake County dated 10/19/04 in the amount of \$31,693.92. Two other footnotes of outstanding amounts Mr. Castino wanted to point out were the amounts from a Metro PBS payment of which \$26,689.55 was for back payments, which explain the \$54,128.35, the largest ever single deposit, a normal deposit would be approximately \$20,000. Mr. Castino wanted to specifically point out that item as invariably the auditors are going to inquire as to why it incurred. It was estimated that the amount was for a year or more in back payments.

The balance for Illinois Funds at the end of September is \$17,099.33. The balance for Fifth/Third Bank at the end of September was the largest balance this District has ever had: \$1,301,121.86. There were payments made that had not cleared.

District is awaiting certain payments such as a \$20,347.84 ambulance payment to be deposited and a \$31,693.92 real estate deposit dated 10/19/04 mentioned earlier by Trustee DeRuntz. A personal property replacement tax payment listed in the report will be included in the account balance of \$3,399.07. He anticipates interest of \$20 for Illinois funds and \$180-\$200 for Fifth/Third Bank.

Mr. Castino reported that if you include payments that Trustee DeRuntz made, ranging

from September 25- October 15 for attorney fees, first quarter village contract, two payments for Eder & Casella, and a pro-rated payment at \$1,500 per year for past trustees the amount adds up to approximately \$564,500. He further reported that with everything taken into account, Illinois Funds should be somewhere around \$20,500+ and Fifth/Third Bank, even with outstanding payments from today, will be approximately \$757,000, Which gives District a grand total of available dollars at \$775,425. The guideline is that we don't fall below 5 figures in either account to allow for contingencies.

Second part of the report is to ask for payments that have not been approved. The only payment is administrative expenses in the amount of \$223.69.

President Badtke moved to authorize making the payments as shown on the Treasurer's Report. Trustee DeRuntz seconded the motion.

AYES: Badtke, DeRuntz, Klauber  
Carried.

NAYES: None

Motion

Third item to report was the payment to the village. The village, based on the village's budget at \$556,722.25, estimates the quarterly payments due under the 2004/2005 contract. Current status is that the first quarter of the estimated contract has been paid. If the second quarterly payment is made before October 3, 2004, we will avoid paying interest on that amount. The third quarter payment is due January 31, 2005 and fourth quarter is due at the end of our fiscal year - April 30, 2005. Based upon Fifth/Third Bank and Illinois Funds, the District can pay the second quarter payment on time without penalty. Third quarter could be met with a few more payments received such as ambulance payments, real estate tax payments and personal property replacement tax payments. District should be able to make a partial fourth quarter payment before the end of April which could leave District with a no-debt year

With the old regime phasing out they will be handing over to the new regime a no-debt situation, which matches the five-year prediction reported to public. The long range financial situation depends on the Equalized Assessed Valuation (EAV). EAV has been showing 6% growth at this time.

Mr. Castino's recommends that the second and third quarter payments be made and to do our best to make the fourth quarter payment which will put us ahead of last fiscal year. He went on to indicate that a call be made to Metro PBS to get the data that they provided which is mentioned elsewhere in agenda and Mr. Castino will discuss this later.

Past District president, Stamatakos used a cumulative 6-month report. Mr. Castino did it month by month and looked at the running average to see at what point is there a penalty. Penalty occurs if over 120 days. 34% of the runs and billings are being penalized or in the penalized mode and 66% on average are in the no-penalty mode. That is a significant improvement over where we were in February, which was 58% in penalty and 42% not being penalized. Auditors say that 50%-60% is the running average on collection of this kind because Medicare caps collections.

Trustee DeRuntz and Mr. Castino met with Fifth/Third Bank and as of late September Trustee DeRuntz has full signature rights. With the help of Attorney Spring the forms for Illinois Funds were received and filled out. President Badtke signed them and they were submitted. They are still mailing Mr. Castino the statements, but that should change next month. Trustee DeRuntz will be shifting the electronic deposit of money over to Illinois Funds to keep larger amounts of money in Illinois Funds because at Fifth/Third Bank the interest is ½%; Illinois Fund's interest is over 1%. The District stayed with Fifth/Third Bank because of convenience.

Mr. Castino discussed the audit by Eder & Cassella. It included the GASB-34 requirements set down by the government. Trustee DeRuntz announced that the audit report has been reviewed and some revisions made based upon Attorney Spring's recommendations. Trustee DeRuntz's intention is to sign off on the revised draft.

In order to meet the required June 2005 deadline all that is needed next year, with regards to the Management Discussion & Analysis letter (MDA), prepared by Attorney Spring and approved by the board along with the audit prepared on a GASB-34 basis, is to enter the numbers, properly alter the management letter and put it all together.

Mr. Castino recommended that the Board recalculate the funds flow tabulations for 5 to 8 years.

Trustee DeRuntz has taken steps to gross up the stipend payments for an officer. The stipend for an officer is \$1,500 annually, \$75 per meeting. Under GASB-34, federal taxes should be paid.

Mr. Castino indicated a budget variance report is very inexpensive with the cost being around \$250-260. The auditors take the data the District provides and put it in a format against the accounts. Mr. Castino recommended that the District continue the budget variance report. He also recommended a funds flow chart combined with a quarterly budget variance.

Judy Baar Topinka developed the Illinois State Treasurer's program, a mechanism for bridge loans to taxing bodies. The District may wish to consider such a low interest bridge loan which primary purpose is to cover a financial gap.

With respect to Gurnee, Mr. Castino recommends District track grants that the department may get because it is entitled to a percentage depending on the nature of the grant.

Mr. Castino indicated he would be available for questions and would set a date in order for him to turn files over.

Mr. Castino made some final recommendations: 1) The District should remember that the primary job is to provide the best fire protection it can for the best price it can get, not

only what it can afford but also what it can support; 2) Get a citizen's group to develop opinions and input which President Badtke already has in motion, however, weigh it and act in the best interest of all residents; 3) Always include response time in deliberations. It's very important because that is the single controlling factor of the District's ability to provide the best fire protection; 4) Seek balance on the board. Consider gender, age and district representation because the board is a public body and not elected officials. The only way to get there would be to increase the board to five.

Trustee DeRuntz thanked Mr. Castino for all his contributions to the board. President Badtke added that when he joined the board, Mr. Castino was of great help and assistance in how the board operated, how we went forward and quite frankly, that Mr. Castino was a motivator to him.

Trustee DeRuntz reported that he had received a membership voucher for the National Fire Protection Association (NFPA). The professional rate is \$135 for 1-year subscription/ membership, for which the District would receive the NFPA journal. He inquired if the District was a member in the past. Mr. Castino responded that the District did receive it in the past, but not at this time, as Mr. Castino was a member. NFPA writes the building code standards. Mr. Castino's recommendation was to join and have one of the trustees become a member.

Trustee DeRuntz moved to authorize joining NFPA. President Badtke seconded the motion.

AYES: Badtke, DeRuntz, Klauber                      NAYES: None                      Motion Carried.

Trustee DeRuntz reported that he received a letter from the Northern Illinois Alliance of Fire Protection Districts. Trustee DeRuntz viewed their web site and found that they provide very valuable information to all members. Along with the renewal they request two pages of very detailed information from the fire chief. Trustee DeRuntz asked if the Board wanted to have the fire department provide us with this information as well as should the membership with the NIAFP be renewed. Mr. Castino responded that District did not need to supply all of the information because the District doesn't have a fire department of its own, they contract for services. Mr. Castino will provide Trustee DeRuntz with a copy of the previous form to review which questions were answered. NIAFP is very influential for the District. Mr. Castino found them to be very active.

Mr. Castino informed the Board that it is also a member of the Illinois Association of Fire Protection. Attorney Spring indicated that the Northern Illinois Alliance Fire Protection mainly represented northern fire districts that tended to be larger districts of the state and worked more with urban issues as opposed to rural fire risks.

President Badtke added that he felt it was a worthwhile organization to belong to.

Trustee DeRuntz moved that the fire protection board ask Chief Friedl to provide the

information being asked in order to continue membership in the Northern Illinois Alliance of Fire Protection Districts. President Badtke seconded the motion.

AYES: Badtke, DeRuntz, Klauber                      NAYES: None                      Motion Carried.

Trustee DeRuntz moved to renew the membership with Northern Illinois Alliance of Fire Protection Districts at the cost of \$432.40. Trustee Klauber seconded the motion.

AYES: Badtke, DeRuntz, Klauber                      NAYES: None                      Motion Carried.

**SECRETARY'S REPORT:** None

**FIRE CHIEF'S REPORT:** None

**ATTORNEY'S REPORT:** Attorney Spring reported the levy could come under long range planning. The revenue ordinance was drafted and the proposed notice of the tax increase. Attorney Spring also distributed a packet describing the pros and cons of the possibility of an additional levy, she suggested a special meeting next week. President Badtke accepted the recommendation by Attorney Spring to set a special meeting to discuss the levy. The meeting was set for Wednesday, October 27 at 7:30 at the Gurnee fire department. General items to discuss will be the information relating to the levy. Attorney Spring distributed drafts of the levy to the Trustees.

**CITIZENS' ADVISORY GROUP REPORT:** President Badtke reported that the Citizens' Advisory Group met last month, but did not have the minutes typed up. Therefore, the minutes were tabled. President Badtke acknowledged Bob Ells, a member of the committee, was in the audience. President Badtke commented on what was reviewed at the meeting and the recommendations made which will be addressed at the November meeting.

- 1) Change the venue of meeting from the Gurnee fire station to the Grantwood Park building.
- 2) Listed an additional 6 people from the District to contact and invite to join the Advisory Group.
- 3) It was discussed and will be recommended that the District enact a flat ambulance fee of \$350 as opposed to the current menu list of charges averaging \$850/per call. Also suggesting that non-residents' fees be left as they are. Gurnee residents being transported in the district would also be charged \$350 per call.
- 4) It was discussed and will be recommended to have changes made to the wording of the billing letters mailed to people so they can better understand what our current position is.

Bob Ells indicated he had nothing more to add.

**MARY SPIEGEL:** Trustee DeRuntz and President Badtke had met with Mrs. Spiegel

regarding her assistance in the collection of data discussed during September's meeting. President Badtke reported that she is moving ahead with the agenda items. Attorney Spring met with Mrs. Spiegel today.

Mr. Castino mentioned that the majority of the information that Mrs. Spiegel needed would come from Attorney Spring as she has the majority of the financial and insurance information. Mr. Castino indicated that he had some information that would be of interest to Mrs. Spiegel.

Trustee DeRuntz reported that he had received a completed audit report and management letter. Trustee DeRuntz moved that the audit report and management letter be accepted. President Badtke seconded the motion

AYES: Badtke, DeRuntz, Klauber                      NAYES: None                      Motion  
Carried

**LONG RANGE FINANCIAL PLANNING:** Information pending. Tabled

**REVIEW AND DISCUSSION OF 2004-2005 CONTRACT WITH THE VILLAGE OF GURNEE:** Information pending. Tabled

**REVIEW OF METRO PBS COLLECTION AND AGING DATA:** Trustee DeRuntz reported that meetings continue.

**REVIEW METRO AUDIT INFORMATION:** Mr. Castino reported that the District could have asked for a full audit which would have cost approximately \$15,000. It would have covered a larger sampling and might have uncovered the problem of unposted billings which required Metro to make back payments. The District received a procedural audit that cost approximately \$2,500.

**REVIEW OF CURRENT AMBULANCE CHARGES, BILLING METHODS AND POLICIES:** Attorney Spring reported that billings are still going out but without letters. She reported that she has talked to Georgianna Westerdahl and has advised her to stop sending the letters, to recall the accounts in collections and to hold until further instructions. The Board had decided at the last meeting to accept insurance payments and it had not decided what the wording would be. Attorney Spring circulated the 4 billing letters to the Trustees and explained the purpose of each letter.

Trustee DeRuntz moved to instruct Metro to use its standard billing information. President Badtke seconded the motion.

AYES: Badtke, DeRuntz, Klauber                      NAYES: None                      Motion  
Carried.

**DISCUSS USE OF COLLECTION AGENCY(IES):** Dismissed.

**DISCUSS RESOLUTION OF OUTSTANDING AMBULANCE BILLS:** Tabled

**New Business**

**AMBULANCE BILLING COMPLAINT(S) AS APPLICABLE:** None

**DISCUSS ANEXATIONS, AS APPLICABLE:** None

**DISCUSS AMBULANCE BILLING POLICIES FOR NON-RESIDENTS:** Consider making adjustments.

The board has not determined how to handle items Metro sent to collections. President Badtke's understanding is that they were to bring back items sent to collections and to not pursue any outstanding billings except for insurance payments. The board has not finalized a suggestion as to how to proceed.

**COMMENTS FROM THE PUBLIC:** None

Agenda Items: Discuss ambulance-billing policies for non-residents. Wording of billing letters. Voting on Ms. Baker as recording secretary. Discuss payment to Ms. Baker. Election of officers.

The next regular meeting is scheduled for Wednesday, November 17

Having no further business to come before the Board, President Badtke moved to adjourn the meeting. Trustee DeRuntz seconded the motion

AYES: Badtke, DeRuntz, Klauber  
Carried.

NAYES: None

Motion

The meeting was adjourned at 8:45 p.m.

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Secretary/Treasurer of WWFPD

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Date Minutes Approved