

**Minutes of
Special Meeting of Portal Rescue Inc.
August 24, 2007**

1.0 Call to Order: at 4:03 PM by President, Maya Decker

Present: Maya Decker (President), Rick Beno (Vice President), Shela DeLong (Treasurer), David Johnson (Secretary), Dennis McAvoy (Fire Chief), Jim Algots, Ken Joens, Roberta Ward.

Absent: Jeff Gee (EMS Chief).

2.0 Adoption of Agenda: Adopted without changes

3.0 Scheduled Agenda Internal Audit

Maya explained that this special meeting was called due to Ken's expressed concerns about "allegations of faulty financial procedures" in an email to the Board. He also stated that he had heard complaints about late payments made by Portal Rescue, resulting in the loss of credit with Valley Mercantile and Columbus Electric. He is worried how this may affect our credit rating.

Shela DeLong reported that she had recently spoken with two people at Valley Mercantile who identified themselves as the owner and the bookkeeper. They both said that there is no problem with Portal Rescue's credit.

Dennis stated that V.M. manager, Ed Ruse, asked him to put Portal Rescue purchases on his personal account, as P.R. was slow to be paid.

In preparation for the meeting, Helen Snyder, chair of the internal audit committee, created a spreadsheet (document attached) which highlighted bill-date and pay-date of all invoices this year from files provided by interim treasurer, Maya Decker. This was done in order to show payment history. When presenting this document, Helen mentioned that only hard copies of checks, no online bill-pay information was available for her review.

David stated that the previous Treasurer had acknowledged a problem with slow payments and missed payments due to lack of time to get it done last winter.

Ken stated that he had brought this to the Board's attention because two community members had asked him to look into why they had not been reimbursed for EMS training, believing that Portal Rescue had received the state check.

Maya stated she was concerned about the language used to request the audit.

There was an implication that there were misdeeds with the bookkeeping, and that this inference would negatively impact the community's confidence and donations.

Maya reviewed some of the reasons behind some of the problems. Her goal is to clear up accusations that are floating around, that may not be true.

Dennis expressed concern regarding a January 2007 bill from LNCurtis. Maya is aware of this L.N. Curtis bill and will give specific information about that bill as part of her review of the "six-bills" issue raised by Ken in our last meeting.

Helen Snyder explained that one of our concerns is with the problem posed by online bill payments because there is no check number generated. They leave no audit trail and no hard copies of checks. In addition, quite a few checks are missing because of past treasurer, Roberta Ward's printer problems. Those checks that would not print out were shredded. Helen stated that the words used to request an audit were way too strong in that they implied improprieties when in fact the concern was actually about late payments.

Helen recommended that an audit be conducted with every change of Treasurer. She also recommended that the Treasurer produce a report for the annual meeting which could be included in the newsletter. Lastly, she suggested that a Board policy manual be created which details previous Boards decisions. It can include a list of the Treasurer's duties and all of the Board's policy and financial decisions.

Roberta explained why some checks were missing. She said that those checks which would not print out on her printer had all been shredded. Maya assured the Board that she had verified that missing check numbers had over the last two months never shown up as having been cleared in her daily on-line review of our checking account.

Jackie Lewis mentioned that a couple of dates on the spreadsheet were incorrect. John Bush asked if the spending moratorium had been in place at the time of the late payments. The Board had to approve every expense before any payments were made. Maya thought that the spending moratorium had been lifted prior to this period.

Ken commended pro tem Treasurer Maya and Roberta for staying current with Portal Rescue bills. He requested that the audit include past two year's books to look for patterns of late payments.

Maya replied to last Board meetings question from Ken as to why six bills had been identified as waiting-to-be-paid, totaling \$1,670.20. Ken had claimed that was inexcusable. She used the bill-pay spread sheet to demonstrate that five of the invoices brought under question by Ken, were actually current, and had been paid before they were due. The L.N. Curtis bill was a major exception. Maya had contacted this company in June to inform them that our records showed that the bill had already been paid. They indicated that it was still outstanding. L.N. Curtis was paid after she was able to track down the mistake by examining the checks in the on-line bank statements to confirm that they had not been paid.

Maya stated that the Portal Café has also now been paid in full for a group of receipts dating back to last year, but that we need to establish a better way to

identify these expenditures. During her review, she noted that many meal tickets did not notate who or why the meal was charged to Portal Rescue. Maya will draft a policy procedure to provide more information on these kinds of charges, including which budget categories should be debited.

Roberta asked to have copies of the overhead spreadsheet emailed with the agenda.

Ken stated that we now have a handle on our current situation, but that we should still investigate past bills, for no pays or late pays. Rick Beno stated that if we owe money, our creditors would contact us.

Maya stated that this Board and this community have every reason in the world to congratulate themselves and feel proud of what has been accomplished – we have a new building, and thanks to an anonymous donation, we have an opportunity to search for a new ambulance. We now have the opportunity to focus our attention on those positive issues. Her experience of having to also serve as treasurer has underscored the need to require base-level skills and training for those who serve as treasurer, and that we establish standardized bookkeeping procedures which are passed on to new treasurers by out-going treasurers during an overlapping time of service. We could even include providing equipment and programs that they need to do the job well.

Gerry Hernbrode expressed that Jeff Bender had done the best job under very difficult circumstances and that he should be commended; everyone acknowledged Jeff with a round of applause.

Walter Schoepfle questioned the simplicity of the spreadsheet as not explaining Portal Rescue accounting practices and budget. Maya explained that this was not our regular budget or expense report, nor was it the audit report. This spread sheet was simply used to look to see if there was a pattern of late payment as was alleged in the August 14th meeting. The actual audit report will occur at next month's meeting.

Maya discussed the Board decision, made at the 14 August meeting, to have an internal audit by community members of Portal Rescue's books. One person had volunteered to serve on the audit team at that time. Geoff Bender volunteered to assist the team. Several days after that meeting, it was revealed that the one volunteer, Kim McFarland, lived in McNeal and not in the Portal Rescue Service area. Since the Board motion had said "community member", Maya said she needed to bring it back to us for a decision on the matter.

Maya has since then, recruited Pi Irwin, Helen Snyder and John Bush to also help with this audit. She would like to recommend that the Board consider a one-time, non-precedent-setting motion to accept Kim McFarland's offer to serve. That would give us a team of four. Maya also expressed her opinion that we wouldn't want it to

necessarily set a precedent for the future that non-community members be involved in other issues brought before us.

She also informed us that Shela DeLong had reconsidered and decided to wait to take over the books after the audit has been completed.

At its meeting of Aug. 14th, the Board had recommended that the internal audit be completed prior to the September Board meeting. Pi will be back in town early September.

David expressed concerns with having 10 people involved with the audit.

Discussion around how the audit would work, and how many auditors would be needed. Audit committee should make most decisions and report back to the Board. Roberta thinks the Board needs more direction and that the Board needs to adopt a mission statement.

Penny Johnston helped clarify the duties of the audit committee and consultants.

John Bush withdrew from the audit committee, due to his new workload, but he will help with recommendations.

ACTION: Maya requested that John put his recommendations in an email to her. Maya asked for a motion from the Board to approve the audit committee which would include Kim McFarland.

Ken said he thought that an audit by community members meant no Board members could serve on the committee, rather than meaning only those members who reside within the service area of Portal Rescue could perform the audit.

ACTION: Motion made by Ken to leave the motion as the board had decided this motion originally on 14 August 2007.

ACTION: Motion seconded by Rick on 14 August 2007.

Helen Snyder stated that our by-laws define a community member as one who is a member of the Portal Rescue service area.

Jeanne Williams stated that non-community members should not be allowed to vote. Jeanne stated that Maya has inherited a lot of responsibility for the problems of Portal Rescue.

Maya reiterated her goal of putting things in order for community members, EMT's and firefighters.

Roberta suggested that we record all meetings; Maya informed her that we are recording this meeting.

Delane Blondeau expressed concerns about the size of Portal Rescue; are we getting too big? Can we afford our budget when we don't have a dependable income? For example, we do not charge for our services. Delane stated that the community would like to see the Portal Board running as a happy family, working together.

Maya expressed that we can now be in a maintenance mode, not a growth, mode.

David asked for clarification of Ken's motion.

Ken stipulated that it was his understanding that the original motion by the Board was to have only Kim McFarland do the audit.

ACTION Rick withdraws his second.

There being no other second by other Board members, the motion died for lack of a second.

ACTION: David made the motion to establish an internal audit committee of three members to include Kim McFarland, Pi Irwin, and Helen Snyder.

ACTION: Rick seconded the motion.

Discussion on audit committee, with agreement that they are to decide among themselves how to manage their meetings and attendance.

ACTION: Vote on motion by all present. All affirmed.

ACTION: Motion to adjourn by Maya

ACTION: David seconded

4.0 Adjournment: 5:12 PM

Minutes submitted by David Johnson, Secretary, Portal Rescue