

Tidewater EMS Council, Inc.
Audit and Finance Committee
Minutes - February 13, 2013

Present

Kent Weber, Chair

Wayne Shank

Clifford Stewart

1. Mr. Weber called the meeting to order at 10 am. A motion passed to approve the committee minutes of October 10, 2012.
2. Members reviewed the December 31, 2012 Investment Report and January 31, 2013 Statement of Financial Position.
3. Members discussed accelerated mortgage principal payments. The rationale for principal prepayment includes the Council's financial strength, existing fund balances, auditor's recommendation, current low returns on investments, and a planned interest rate adjustment on the current mortgage in 2018. Since the organization is a 501 c 3 non-profit, there do not appear to be any tax consequences or benefits related to timing of mortgage payments or interest. It was agreed to recommend to the Board of Directors in 2013 to prepay 20% of the mortgage principal balance in an amount of approximately \$108,000. Subtracting the principal to be paid via regular monthly principal and interest payments during 2013, the additional payment amount to achieve \$108,000 will be approximately \$81,000. The 20% recommendation is based on a remaining five-plus years before the current mortgage interest rate is subject to a market adjustment, and committee agreement to attempt to pay off the total principal in annual installments over five years prior to that rate adjustment. It was agreed to recommend that this year's payment of \$81,000 come first from any balance over \$250,000 (the FDIC insured limit) in the main checking account, then from any of the investment and reserve funds which are not in alignment with designated fund allocations per the Board's Reserve and Investment Policy.
4. Members discussed contractor versus employee considerations for the many evaluators, test site staff, instructors and others paid by the Council on an infrequent basis. Mr. Stewart agreed to examine the existing contractor agreement form and provide recommendations, if needed, for improvement. The discussion will continue during the next committee meeting.
5. With no additional business, the meeting adjourned at 11:15 am.

Minutes prepared by Jim Chandler (reviewed by Mr. Weber)