

Tidewater EMS Council, Inc.  
**Audit and Finance Committee**  
**Minutes, August 14, 2013**

*Present*

Kent Weber, Chair

Wayne Shank (by teleconference)

Jim Chandler

*Excused*

Cliff Stewart

1. Mr. Weber called the meeting to order at 10:10 am. A motion passed to approve minutes of February 13, 2013.
2. Review 6/30/2013 investment report and Balance Sheet – Members noted the current allocation for Income and Growth Funds was at 22% of the total, or 2% greater than the policy allocation. Agreed to postpone further discussion pending changes related to mortgage reduction and its impact on the reserve fund balance and allocations.
3. Discuss investment policy and investments reviews from brokers – Members acknowledged recent no-cost reviews of the council’s current investments and the Reserve and Investment Policy by representatives of Morgan Stanley and Raymond James. The general feeling of the members is to be generally conservative with council funds which are essentially public funds. Members discussed low interest rates (around 1%) on recently reinvested CDs and the likelihood of continued low CD rates as others mature and are reinvested in the near future. Members discussed and agreed the most prudent path for reinvesting maturing CDs in the near term is to prepay the building mortgage principle as much as possible leaving sufficient reserves and cash for current and near-term needs. The mortgage is at a higher interest rate (5.25%) than new CD rates, and the mortgage will likely convert to an even higher rate in 2018 according to our mortgage terms. As previously recommended by the committee and agreed to by the Board of Directors, the goal is a total payoff of the mortgage principal before the 2018 rate conversion. The committee recommends an evaluation by the executive director of current and near term operating fund needs, maintaining fund balances committed to the MMRS, Eastern Shore, Technical Rescue and Hospital Preparedness Program, and to then accelerate prepayment of the mortgage using maturing CDs while ensuring available funds for committed programs and operating needs. CD maturities during the next year are \$50k on 10/8/2013, \$50k on 10/30/2013, \$50k on 2/10/2014, \$150k on 3/13/2014 and \$50k on 5/19/2014. The current mortgage balance is approximately \$450k.
4. Discuss contractor vs. employee considerations – After a brief discussion, members were provided with IRS website pages discussing and defining employee versus contractor and agreed to visit this subject in detail during the next meeting.
5. With no additional business, the committee adjourned at 11:00 am.

Minutes prepared by Jim Chandler