

Tidewater EMS Council, Inc.
Audit and Finance Committee
Minutes - April 11, 2012

Present

Kent Weber, Chair
Wayne Shank
Cliff Stewart
Jim Chandler

1. Mr. Weber called the meeting to Order at 10:00 am. A **motion** passed to approve the committee minutes of September 14, 2011.
2. Review investment report – Members reviewed the March 31, 2012 investment summary report. It was noted the March 31 actual allocation of income and growth funds was 1% above the 20% maximum allocation set in the Reserve and Investment Policy. The committee agreed to leave the allocation unchanged at this time, and to revisit the issue after the next quarterly report. It was noted the three TowneBank CDs automatically renewed on 2/13/12 and the current rate of return is 0.3% for a two year term. Mr. Chandler contacted TowneBank to discuss the low interest rate and was advised a three-year term will increase the return to 1.2%. The committee agreed to request TowneBank convert those three CDs to three-year terms. The committee agreed, during its next meeting, to examine interest paid on the mortgage versus rates of return on other investments and to determine if accelerated mortgage payments would be warranted. The committee also briefly discussed the leased space on the second floor of the building, and what future improvements might be reasonable and warranted for that space as well as the rest of the building to help retain and improve its value.
3. Consider engagement letter from external auditor – Members reviewed a draft engagement letter from Strickland and Jones. Mr. Chandler recommended the committee continue with the current external auditor for at least another 1- to 3-year period to provide consistency to the council's financial systems in light of converting from in-house to contracted bookkeeping. Following discussion, a **motion** passed to enter into a 3-year audit and 990 preparation engagement with Strickland and Jones, pending addition of a termination clause. Mr. Chandler will follow up.

4. Examine the council's risk management and insurance coverage – Mr. Chandler distributed two articles regarding risk management practices and insurance from the Center from Nonprofit Advancement and the American Society of Association Executives. He also provided excerpts from the various existing council policies that reference insurance and risk management practices. He also provided a list of current insurance coverage maintained by the council. Following discussion, the committee agreed to review the documents and to discuss the need for any policy, practice or coverage changes during the next meeting.
5. Without further business, Mr. Weber adjourned the meeting at 10:50 am.

Minutes prepared by Jim Chandler