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# Boo~ack Fire & Rescue Foundation

## Inner Officer Memo:

To: Supervisor Brian Cadwell and all Township Board Members

From: Dan Sarazin, Foundation President & Department Fire Chief

Date: February 15,2006

Reference: History of the Bootjack Fire & Rescue Foundation

I have prepared this Inner Office Memo in an attempt to help explain to the current township board members and community citizens the history, reasons, and rationale as to why the Bootjack Fire & Rescue Foundation was formed. I will also attempt to explain what accounts and funds balance of the foundation. As well as to explain how and where the foundation spends the money it earns.

The Bootjack Fire & Rescue Foundation was established on May 15<sup>th</sup>, 2000. This is due, in part, to the response on a letter that was mailed to Michigan Township Association by Township Clerk Peggy Lanctot. The Michigan Township Attorneys reply was mailed on October 1, 1999. M.T.A. Attorney Robert Thall is quoted in the letter that a fire department may not control its own bank accounts. The fire department accounts must be under the control of the township board. Even, if the fire department accounts were a direct result of fund raising activities in the name of the department by its volunteers. I must point out that it is still to this day common practice with virtually every fire department in the Copper Country to have a personnel account or "slush funds". The reason why we are viewed differently is because we are so active in raising funds. We handle more money than most departments combined.

In the same, letter to Clerk Lanctot the M.T.A attorney recommended (Direct Quote) *"/thefirefighters wish to independently control funds which they earn by fundraising efforts; the fighters should incorporate a nonprofit firefighter's association. As a separate entity, the association could conduct fund raising activities and control the funds, which are raised. Any bank accounts established by a firefighters association must use their own identification number, not the townships. "*

{SEE ATTCHMENT #1}

Because of the recommendations from the MTA attorney and knowing we raise more fundraising funds than any other fire department in the area we contacted both our private legal counsel and the county prosecutor for their additional legal advice on what is the best course of action for the department to follow. Both parties advised the same as the MTA attorney, that we should set up a Federal 501c3 Non Profit Corporation and Foundation. All fundraising activities and new accounts should then be set up under this new non-profit corporation separate, of Torch Lake Township. Thus, the Bootjack Fire & Rescue Foundation was organized.

At the time the foundation was organized, the fire department had over \$50,000.00 in fundraising cash in its bank accounts. The department had been saving that money to be able to make a sizable down payment on the 2001 rescue truck that we had on order. That truck was ordered with the full prior knowledge of the township board at the time. I must admit that the thought of turning over \$50,000.00 of our very hard earned fundraising money to a township board that was hostile towards the fire department was not at all comforting to the membership of the department. Remember no other department had ever turned over any fundraising money to their government board at that time. However, the money was turned over to then Torch Lake Township Treasurer Marlene Perreault. By mutual agreement, between the township and fire department the township board decided to honor the request of the fire department and use the fundraising money that was in the fire department account as a down payment for the new Rescue Truck that was under construction. The remaining money would remain in the former accounts of the Bootjack Fire Department under the control of the Township Treasurer, Marlene Perreault. Because the fire department had part of this money in C.D's that were due at different times, the money was dispersed at different time to pay on the truck. The foundation told the board at the time that we would make the annual payment on the truck until the loan was paid in full. The foundation has made all annual payment to date with fundraising money, not tax dollars.

When the Bootjack Fire & Rescue Foundation was founded the purpose and goals of the foundation was to act as a fundraising medium to support emergency services in Bootjack and surrounding areas. This allows as recommended by the MTA attorney, our legal counsel and our local prosecutor that the foundation would be able to maintain control of these new bank accounts and all future fundraising monies raised under the name of the foundation as stated in its articles of incorporation bylaws and our 501c3 Internal Revenue Service application. {SEE ATTCHMENT #2}

**Interesting Notes:** The scrutiny that caused Clerk Lanctot to enquire in the first place into the balance of the fundraising accounts of Bootjack Fire Department would have never occurred if it were not for the large balance in those accounts. Those large balances were a direct result of the hard work to raise these funds by the men and woman of the fire department and auxiliary. Of the fire equipment owned and operated by Torch Lake Township in the Bootjack area the vast majority was not purchased by the township with tax dollars but by the hard work and devoted fundraising of the fire department and auxiliary. (See attachment #3) If we had elected to sit back and not do anything and only had \$500.00 in a checking account, no one would have ever known or cared that we even existed.

**Board of directors:** The Bootjack Fire & Rescue Foundation board of directors consists of 11 people. Seven members from the fire department, three are members of the auxiliary, and one from the first responder unit. The directors then vote in a president, vice president, treasurer, assistant treasurer and secretary. All directors serve on the board on a staggered three-year term. See attachment # 4 for list of original board of directors and the current board of directors.

**General Finances:** The Foundation is comprised of three financial divisions, the auxiliary, first responders and firefighters. Each division raises funds under the foundation name to support different parts of emergency services in our area.

**First Responders:** The first responders raise the funds to keep the first responder unit operational. They pay for all training expenses, equipment, and operational supplies that the medical team utilizes. The foundation has paid this expense since its inception. No tax dollars are spent in this area for our medical unit. Funds are raised by means of a winter chicken barbecue, spaghetti dinner, raffle, and cash donations to the team. In the year 2005 alone, the operating cost paid by the foundation for the first responders was over \$20,000.00

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**Auxiliary:** The auxiliary raises money in several ways. By selling cookbooks, area merchandise (shirts, hats etc.), bake sales, the returnable bottle collection system, raffles, and donations. Additionally the auxiliary helps the department and first responders with all of their fund raising projects. Money raised by the auxiliary on projects benefit the first responder, fire department, hovercraft operations and, the township fire hall by helping to keep the building operational.

**Fire Fighters:** The firefighters raise money to purchase fire equipment, the hovercraft, hovercraft operating expenses, building improvements, and operate the foundation operational expensive. They raise money by means of a Summer Chicken Barbecue, Raffles, and Donations. All three divisions work together helping each other with projects that improve the over all emergency services operations area.

**Accomplishments:** Some of the foundations accomplishments are the total cost of equipping, training, and operational cost to operate the medical team. As of December 31, 2004 the foundation has spent in excess of \$ 50,000.00 on our medical team cost. That does not reflect the approximately \$20,000.00 spent in fiscal year 2005. The foundation continues to support the fire department with equipment and operational cost. As of December 31, 2004, the foundation had spent in excess of \$ 113,428.00 supporting the fire department with direct support to the township. 2005 is estimated to be another \$ 25,000.00 plus.

The Fire Departments 2001 Ford Rescue Truck # 4 was purchase and equipped without tax dollars or grant money. The fire department funds that were turned over to the township treasurers control accounted for the nearly \$50,000.00 use as a down payment on the truck. The annual payment of over \$7,733.00 has always been made by the foundation through fundraisers. We are very proud to be able to say that not one penny of township tax dollars or grant money was utilized in the purchase, equipping, or annual loan payments on this vehicle,

I have to point out that every piece of fire apparatus utilized by the Bootjack Fire Department and owned by Torch Lake Township with the exception of the 1996 Kodiak pumper was purchased by the fundraising efforts of the fire department. That includes the first \$53,000.00 dollars of the 1996 Kodiak pumper, the balance was paid by a one-mill special assessment millage. These same firemen and ladies auxiliary are the ones that later formed and comprise the foundation in May of 2000.

**Federal 501c3 Tax Status:** The Foundation on an annual bases files non-profit corporate tax forms with the Internal Revenue Service. Last year we satisfactorily completed a 5-year audit by the Internal Revenue Service completing a standard 5-year probationary period and audit. The ruling after the I.R.S. review was that the Bootjack Fire & Rescue Foundation was granted permanent status as a 501c3 Non-Profit Corporation. Corporation tax papers and final ruling are attached as (Attachment #4) or are available for inspection on the internet.

The foundation disperses its assets in four methods that directly benefit the township and citizens of Torch Lake Township. First method is by either a direct equipment purchases for use by the Fire Department, Ice Rescue and/or First Responders. Second method is by equipment it purchases then leases to the township through a no cost lease program. The third method is by directly purchasing operational supplies needed for the First Responders and Fire Department. Fourth method is by improvements to the Bootjack Fire Hall facility. Examples of these four methods are shown in (attachment # 5) of this memo.

The continued efforts by the foundation members in fundraising to provide the monetary bases and the physical labor to complete these projects along with the personal dedication of time placed into the extensive training by the members have built this fire department and first responder units into one of the finest in the area. These continued efforts allow us to offer our services not only to Bootjack residents but also to a wider community emergency service area. These services are available because of the hard work & dedication of the foundation and at no burden to the taxpayers.

Attachment #5

Included are some of the purchases made by the fundraising activities of the department and foundation. This is not an all-inclusive list but is only meant to demonstrate the source and approximate cost of much of the resources currently utilized by the Fire Department and First Responders. All purchases made after the inception of the foundation were made by the foundation, as the fire department has no bank accounts. I have not addressed items that were purchased before 1976. But the fire department built the building along with paying all expenses including, heat, power, and equipment prior to the early to mid 1970's when the township started to pick up some of these basics operational cost.

Year	Item	By Who	Approximate Total Cost
1976	New, 1976 Chevy #1 Pumper  {Currently in used to date}	F.D.	\$32,000.00 Paid totally by the fundraising activities of the fire department. Not one penny of tax dollars used to purchase this truck. The officers of the fire department personally secured the loan for this unit.
1981	Used 1967 FWD Seagraves Pumper	F.D.	\$ 16,000 paid totally by the fundraising activities of the fire department. Not one penny of tax dollars used to purchase this truck. The officer of the department personally secured the loan for this unit.
1982	1976 Chev tanker built and placed into service. (Tank is currently in use)	F.D.	\$ 11,000.00 paid totally by fundraising activities of the fire department. Not one penny of tax dollars used to purchase this truck.
1991	Used 1980 Medium size school bus converted to a equipment van	F.D.	\$ 3,000 paid totally by the fundraising activities of the department. Not one penny of tax dollars used to purchase this truck.
1992	1980 Chev H.D. Chassis reconditioned and place into service with the tank off the 76 tanker Currently in use to date	F.D.	\$ 3,500.00 paid totally by the fundraising activities of the department. Not one penny of tax dollars used to purchase and set up this chassis.
1996	New 1996 Tanker/Pumper  {Currently in used to date}	Dept & Tax. millage	The fire department paid approximately \$ 52,000.00 in cash towards the purchase of this truck. The balance of the total purchase cost \$ 133,000.00 was paid by an approved millage paid by the resident of precinct #2.
1999	1985 Scat Hovercraft & Trailer	F.D. & Foundation	The hovercraft was donated to the fire department but the foundation spent over \$1,800.00 in repairs and improvements to the hovercraft and trailer.
2001	2001 Ford F-550 Medical/Rescue Unit  {Currently in used to date}	F.D. and Foundation	\$ 50,000.00 down payment with annual Payments of \$ 7,733.00 made by the foundation to the township until the loan is paid in full. That is over \$89,000.00 date. (two payments remain 2006 and 2007)
2001	New Ice Rescue Equipment suits purchased along with other Ice rescue gear	Foundation	\$2,200.00 Paid totally by the foundation

Various dates	Medical equipment and medical supplies necessary to operate the First responder team	Foundation	In excess of\$ 50,000.00
2000	Bullard Thermal Imaging Camera and related equipment.	Foundation	\$21,500 accomplished by a special fund raising campaign put on by the foundation. No tax money used to purchase this camera.
2005	1993 Scat Rescue Hovercraft {This unit leased to the township in a no cost lease currently in use}	Foundation	\$14,500.00 paid for in part from a personal donation made to the foundation specifically for the purchase of hovercraft. The balance was paid for with fund raising money.
2005	2005 enclosed trailer to house the hovercraft {This unit is currently in use}	Foundation	\$7,500.00 paid for by the foundation from fundraising and donations {This unit is owned by the foundation but is used by the department at no cost.}
Various dates	Work done to the fire hall only since the inception of the foundation	Foundation	\$ 7,551.00 Was paid by the foundation towards improvements made to the Bootjack Fire Hall. This figure does not include A \$6,500.00 Donation of Material for the concrete apron in front of the fire hall.

Attachment # 6

Year	Revenue	Total Expenses	Rescue Truck Payment	Equipment & Medical Expenses	Township Fire Hall	Yearly Ending Balance
2000	\$27,429.00		\$ 2,563.00			\$ 27,429.00
2001	\$20,912.00	\$ 34,671.00	\$19,871.00	\$ 12,240.00	\$ 1,233.00	\$ 13,738.00
2002	\$27,693.00	\$ 25,981.00	\$ 7,733.00	\$11,311.00	\$ 2,831.00	\$ 16,250.00
2003	\$29,227.00	\$ 18,294.00	\$ 7,733.00	\$ 7,379.00	\$ 637.00	\$ 27,183.00
2004	\$30,529.00	\$ 34,482.00	\$ 7,733.00	\$ 19,243.00	\$ 2,850.00	\$ 23,235.00
5 year totals in each column	\$135,790.00	\$113,428.00	\$45,635.00	\$50,173.00	\$ 7,551.00	\$ 23,235.00 at end of Dec312004

Note; The 2005 Corporation taxes have not complied and are not available at this time.