Minutes to the Board of Directors Meeting

September 23, 2024

**Chair of the board Chris Johnson calls the meeting to order at 9:03a.m.**

1. **Roll call and confirmation of Quorum.**

Chris Johnson, Eddie McArthur, and Ruth Ann LeFebvre and Russ Kolsrud are present at the meeting, the Board has a quorum. Robert Garber is absent.

1. **Pledge of Allegiance to the Flag.**
2. **Call to the public.**

* Members of the public are invited to address the Board and/or submit written comments for inclusion in the minutes.
* No public live or online.

1. **Approval of the Minutes from past meetings.**

*Ruth Ann LeFebvre makes a motion to approve the August 11 and August 26th minutes; Chris Johnson seconds the motion and all approve unanimously.*

1. **Reports from the Fire Chief or his designee may include the following topics:**

* **2024-2026 Strategic Plan:** The plan has been uploaded to the SEFD website. The external stakeholder participants have received a printed copy with a letter. The implementation team met this month and established a schedule for the balance of 2024. We have started to complete selected objectives.
* **Administration/Budget: SEFD** has been asked to enter into a Tolling Agreement. Further information during item #8 on today’s agenda. There was an error discovered in the Fire Chief’s pay, it has been corrected and JVG is working with us to improve our process. Ben from James Vincent Group spoke to the error in Fire Chief’s pay, we have a good process with the approval of the payroll journal but we will add in an additional layer for Tricia to approve in addition to Chief. AMB and First Due had a miscommunication on imports that resulted in some ePCRs not transferring, it is being corrected. After careful consideration and evaluation of the financial impact and the needs of the district, the seasonal wildland and mitigation program is being terminated on 10-01.
* **PSPRS Local Board:** PSPRS Local Board will meet again before the end of the calendar year.
* **Operations:**
* Member Accomplishments/Recognition: No new recruits started the process in August. Kody Bowman completed his redshirt task book and was issued his blue shirts and 800 number. Four members attended Fire School earlier this month.
* Apparatus: Our new truck should be here by the end of October at which time we will ask that E821 be declared surplus and placed up for sale. We have been working on improving the lighting in the primary bay.
* Incidents by Service Type, Zone & Shift: EMS Calls 26, Fire 16 and Service 17 for the month of August. We did a lot of snake removals the last 60 days. Per Zone there were 18 calls in zone 1, 3 calls in zone 2, 3 calls in zone 3, 1 call in zone 4, 20 calls in zone 5. A Shift had 21 calls, B Shift had 18 calls, and C Shift had 20 calls.
* CON: Our HB2609 GPS waiver was approved for 12 months. We are looking at compliance solutions and should have one in process by July 1. Our Current plan is to work with a firm 3AM Innovations which has state backed grant funding that includes hardware and will satisfy our requirements.
* **Legislative Update**: Nothing new to report at this date.HB2012-DFFM funding continuation is in the House and HB2751/HB2767-Wildland Fire Compact & Mutual Aid Reimbursement.

1. **Presentation and Approval of Monthly Financial Reconciliation and Reports pursuant to ARS Sec. 48-807 including: reconciled balance sheet accounts, month-end statements, month-end balances at all institutions, county accounts and revenues and expenditures and cash flow projection report.**

* Ben Archer Crowes from JVG presents the financials for August. One of Ben’s concerns is overtime for SEFD members. Chief comments that the FLSA can’t be managed but is incorporated in the budget. In First Due we are creating codes and notes for who is covering member hours for PTO, sick time, covering for an open position and any other situation. Russ Kolsrud asks if we can use more volunteers to keep the overtime down. Chief comments that we are utilizing some volunteers in the schedule but volunteer status among fire districts is down nationally. We have a capacity to understand where these overtime hours are occurring and be able to evaluate. Ben explains that without wildland it will help with the budget for the rest of the fiscal year. Ben comments on Russ Kolsrud’s concerns about the being over on in the budget with buildings and maintenance, and Tricia also comments about repairs and upgrades to the buildings in the beginning of the fiscal year. Ben continues that he is most concerned about Ambulance Revenue and why we are behind in that area.

*Russ Kolsrud moves to approve the financials and Ruth Ann LeFebvre seconds the motion and it is approved unanimously.*

1. **Review, discussion and possible action- new Human Resources (HR) policy**

**for leave donation.**

* Chief addresses the Board that SEFD does not currently have a policy related to the donation of leave. This was brought on with Captain Moreno’s leave and Chief reached out to HR specialist to draft a policy.
* Pima County Treasurer Chris Ackerley attended the meeting and was leaving during the conversation about the policy, and said hi to the Board before leaving.
* Ruth Ann Lefebvre asks who wrote the Human Resources policy for leave donation. Chief responds that it is Brenda Tranchina

*Russ Kolsrud moves to approve the Human Resources policy for the leave donation, Ruth Ann Lefebvre seconds with the edit of gender neutral language and all approve unanimously.*

1. **Review, discussion and possible action- Santa Cruz County litigation timeline Tolling Agreements - Beginning around 2014 and continuing through April 2024, former Santa Cruz County Treasurer Elizabeth Gutfahr (“Gutfahr”) is alleged to have embezzled approximately $38,712,371 of funds held by the Treasurer (“Gutfahr’s Fraud”). These funds were taken from the County, the Treasurer, and the school and fire districts within the County. The districts, including SEFD, may have legal claims or causes of action against Gutfahr, the County, the Treasurer, the State of Arizona and the Auditor General arising from** **Gutfahr’s Fraud. To give all the parties time to investigate and research the legal issues, the parties wish to toll the legal deadlines for filing certain claims and or lawsuits to recover losses from Gutfahr’s Fraud. Presently, SEFD estimates its losses at approximately $40,000 over the ten-year period of Gutfahr’s Fraud. The Board will meet in executive, [closed] session, pursuant to A.R.S. 38-431.03 (A)(3) and (4), for legal advice and to consider its position with respect to litigation and the proposed agreements to toll the applicable litigation timelines. Any legal action will be taken in open session.**

* Thomas Benavidez, joins the Board Meeting via Zoom and introduces himself to the Board. Thomas continues to summarize the situation that the former Santa Cruz County Treasurer is accused and it is alleged that she stolen about $40,000,000.00 from the tax payers of Santa Cruz County and that includes every small jurisdiction including the school districts and fire districts. They have all lost something and nobody knows exactly how much each small district lost, and the county unincorporated lost money as well. There is a law suit pending in Pima County, Superior Court, that is a law suit where Santa Cruz County is suing the former Santa Cruz County treasurer to try to recover some of the funding that she allegedly stollen from the tax payers of Santa Cruz County. The issues coming before the local jurisdictions are what legal steps should be taken moving forward to try to recover their jurisdictional tax payer’s money. Thomas continues that Sonoita-Elgin Fire District faces that same dilemma, what is before the Board today is just agreements to Toll the applicable time lines for pursuing legal action against the Treasurer, the County, the State of Arizona and the State Auditors Generals Office. All the local jurisdictions from Santa Cruz County are party to these agreements, this is very preliminary but it’s just to establish when the time lines are for taking legal steps, if at some time in the future the Board decides to take them. Thomas let’s the Board know that they have the option to go into executive session for specific legal advice about this, if you want to discuss the districts position with respect to these agreements, I advise you to do that. If you have general questions, please feel free to ask, all the districts have these on the agenda for their Boards.
* Eddie McArthur asks why the lawsuit is in Pima County when it occurred in Santa Cruz County. Thomas responds that a lot of the assets that the Treasurer acquired with the public’s money are located in Pima County and one of the goals of Santa Cruz County lawsuit was to get a lot of those assets put into receivership. Eddie asks is someone does not sign the toll agreement, and Thomas comments that if someone does not sign the toll agreement, they would be left to make its own estimate to when the time to file the notice of claim and lawsuit would expire but the tolling agreement would still be valid for all other parties, those who sign it would be valid by it and those who do not would not be valid by it.
* Ruth Ann LeFebvre asks how the number of $40,000 came to be, how is it that we are only getting $40,000. Chief Meredith answers relating our budget compared to larger district budgets, it is hard to know the exact amount. The benefit of the agreement for the district is we can easily work with other entities that were impacted by this and we are indicating to the county that we are willing to communicate and work with you. Thomas comments that looking at the Auditor Generals Report show our district % of losses shows .03% and the smallest amount but right now we can’t verify that. Ruth Ann continues with the question about the legal fees that will be involved. Thomas comments that we are looking at it as working with the other victims in the process, we can talk about the cost and its impact in more detail down the road. Thomas explains that the county is looking at a cooperation agreement with all parties, that is not be presented yet.
* Russ Kolsrud comments that he see’s this as a serious breach and he does not see any benefit of the tolling agreement for the district. Russ continues that this needs to be resolved now and it’s not that complicated as this can go on and on taking a lot of time and drug out. Russ feels we should send a certified letter to the Board of Supervisors of Santa Cruz County stating we should get our money, you are admitting to the loss and the amount, and if they don’t pay the district will have to sue.
* Chief comments that none of this should have ever happened, and his experience working with the county is they are going to drag their feet. It is Chief’s opinion that signing this tolling agreement is in the best interest of the district, taking advantage of the cooperation that he believes will come to us if we are willing to sign this right now.
* Chris Johnson asks Thomas about the time to file, Thomas comments that it is 120 days to get a legally sufficient demand from everyone and then it is 12 months to get the lawsuit in court. Chris continues to comment and ask that our relationship with the county is fiduciary and that the ultimate responsibility is the county and we are not party to what happens between the county and the attorney general or the county and the former treasurer. Thomas explains that it is not that simple and there needs to be all the right people in the lawsuit. Thomas provides an example of a car accident and all the details of who could be at fault and how you have to get all the right people involved in the law suit. Russ Kolsrud comments and disagrees that this it is a statutory obligation and if they own there is no reason why we can’t demand the money owed and get it.
* Eddie McArthur comments that we can demand the money but feels that our chances of receiving the money is remote. She continues that it is at our benefit to sign the toll agreement, review any cooperation agreement in the future and we are not ready to make the bigger decisions yet and go it alone. Thomas comments that the Board should deal with the tolling agreements today if possible.

*Eddie McArthur moves that we accept and sign off on the 3 tolling agreements, Ruth Ann LeFebvre seconds the motion, Chris Johnson votes yea and Russ Kolsrud votes nay and it is approved.*

*Eddie McArthur moves that the Board Chair can sign on behalf of the District, Ruth Ann LeFebvre seconds the motion, Chris Johnson votes yea and Russ Kolsrud votes nay and it is approved.*

1. **Consideration of agenda items for future meetings**

* December Meeting Date

*Russ Kolsrud makes a motion to adjourn the meeting; Ruth Ann LeFebvre seconds the motion and all approve unanimously.*

Chris Johnson adjourns the meeting at 11:05 a.m.

A digital copy of this meeting is available to the public at the Sonoita-Elgin Fire District, located at 3137 AZ Highway 83 Sonoita, AZ 85637

**NOTICE: The Sonoita-Elgin Fire District Board of Directors may go into executive session for the purpose of obtaining legal advice from the fire district’s attorney(s) on any of the above agenda items pursuant to A.R.S. 38-431.03(A)(3)**

Minutes approved by\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Board Clerk, on \_\_\_\_­­­­­\_\_\_\_\_\_\_

Ruth Ann LeFebvre Date