Minutes to the Board of Directors Meeting

December 16, 2024

**Chair of the board Chris Johnson calls the meeting to order at 9:02 a.m.**

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

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

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. Members of the Board shall not discuss or take legal action on matters raised during an open call to the public, unless the matters are properly noticed on the agenda for discussion and legal action.
* Courtney Hensen counsel lawyer representing Santa Cruz County is present. Christopher Linscott CPA, CFE, CIRA is present on zoom to discuss allocation Methodology for SSC Treasurer fraud. Marion Vendituoli, reporter, for the Patagonia Regional Times was present. Marion asks for the spreadsheet from Christopher Linscott’s presentation.

**4. Approval of the Minutes from past meetings-** No minutes to approve this meeting. Three Board Meeting minutes will be ready for next Board meeting: November 25th, December 2nd and December 16th meetings to approve.

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

* 2024-2026 Strategic Plan Implementation update has its own agenda item
* Administration/Budget: Grant writer update is that the AFG grant is under way and will be submitted by Friday December 20th . SEFD is putting in for 5 new monitors for use on the Ambulances, Wildland vehicle and for the front lobby treatment area at the station. The OAH hearing has been cancelled and the matter is resolved with firefighter Jackson.
* PSPRS Local Board: PSPRS Board met last month and has met their responsibilities for 2024, the next meeting will be in spring of 2025 or as needed.
* Operations: We had 5 new recruits start the process, and we made offers to two new FF/EMT’s Kody Bowman and Mark Gerbert. The replacement E821 a 2004 Pierce, a Type 1 Pumper/Tender that carries 2000 gallons to the scene is here at the district and operational. Chief Polcari and Chief Meredith helped Patagonia library with their occupancy rating. Incidents by Service Type: EMS 36, Fire 9, Service 19. Incidents by Zone: Zone 1 had 27, Zone 2 had 5, Zone 3 had 14, Zone 4 had 1, and Zone 5 had 17 for a total of 64 calls. Busiest call days this last month was Friday and Sundays during the daylight hours. For SEFD CON: the HAAS devices have been installed in all ambulances to meet HB2609 requirements.
* Legislative Update: New session opens January 13th, 2025, so no current update.
* Other

**6. 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 and county accounts;

• revenues and expenditures; and

• cash flow projection report.

Ben from JVG, updates the Board that SEFD still does not have the SSC tax statement yet for November or the Tax Revenue to reconcile the reports. In regards to the Balance sheet we are down $350,000 down for year over year but we are missing one of biggest month, once that money is in it will help with this number. Ben reminds the Board that he has brought up the overtime cost over the past couple months, but we are trending under on salaries, so we are trending on budget due to the operational changes made in the fall. We are getting closer to the ambulance revenue and starting to catch up. Russ Kolsrud asks about the $81,000 over budget, Ben puts it up on the screen and he shows them the year-to-date profit loss, that is where we are over on overtime and we are $50,000 under on salaries. Ruth Ann LeFebvre asks about the miscellaneous income of $36,000 and Chief comments that they will find out what that is. Ben responds that he had a chance to look into the miscellaneous income amount and it looks like wildland revenue.

*Russ Kolsrud makes a motion to approve the November financials, Ruth Ann LeFebvre seconds the motion and it’s approved unanimously.*

**7. Review, discussion, and possible action- Santa Cruz County Treasurer Issue.**

* Courtney Henson introduces herself, a commercial litigation and government enforcement attorney, and is legal counsel for Santa Cruz County, was retained over the summer for the initial investigation and subsequent law suits arising out of the former SCC treasurer Gutfahr. Where we are at right now is the receivership action, which is all publicly available, is between 10-12 million dollars based on the assets currently acquired. Christopher Linscott and his team, CPA, CFE, CIRA, who is present on zoom today has run the numbers and provided the loss allocation to each of the victims and he can explain the loss allocation and how that works. In essence it is based off of how much money any given entity had in the savings account in any given month when the money was stolen. Courtney continues that there was an operating account and a savings account, all the money was stolen out of the savings account, which had monthly statements with the interest that each entity had in the account going back 10 years. It does not appear that the fire districts had much money in the savings account and Chris Linscott will give you more detail when I leave.
* County Manage, Jesus Valdez comments on the two accounts as Russ Kolsrud wanted some clarification on SEFD’s status and the missing money. He continues that the treasurer looks at the operation of the entire county, the operations account is with CHASE and all those taxes go into the operating account and now everything else goes to Western Alliance.
* Christoper Linscott speaks to the account that Gutfahr stole from and presents them on the screen, the first thing that he presents is from 2016 pooled investment, types of monies in certain funds then allocate to the accounts and speaks to the methodology of the allocation. Christopher continues that his team went by month for a ten-year period of time, for every entity, to evaluate the accounts and the money in them. For SEFD, it is a very small amount one quarter of 1% of the total amount. He continues that for SEFD there was roughly $33,000 in loss. He speaks to the receiver’s report and walks the reader through the recovery process, there are real properties in Arizona and Texas owned by Gutfahr, they are in the process of putting those in the receiver’s name and then get sold. There are also various vehicles, 16 in total and others that they are additional vehicles that FBI and Department of Justice are in the process of recovering. Estimated recovery is between 13-15.5 million, and then there are costs for the receivership, costs for Courtneys firm, and CPA fees, so the amount is estimated at 10-12 million that Courtney mentioned earlier. This is a cumbersome and complicated proceedings. Russ Kolsrud and Ruth Ann LeFebrve asks about the fees for all the attorneys and CPA’s and if all of those are included. Russ Kolsrud asks why SEFD should spend any more money, we are going to get paid something anyway? He continues to ask Christopher, is that correct? Christopher answers that is correct and his understanding.
* SEFD’s attorney Thomas Benavidez let’s the Board know that they can go into executive session if necessary to discuss the SCC Treasurer fraud. Thomas speaks to the conversation today and that SEFD doesn’t have much skin in the game and it is his concern that there may be a lot of cost to pursue a litigation process for a small recovery. SEFD is already paying attorney fees to advise on this case. Chris Johnson asks Thomas about his thoughts about filing a claim to hold our place in line to offer SEFD some protection. Thomas continued that he did not feel that was necessary at this time. Thomas speaks to the fact that there is a version of the cooperative agreement being signed by entities and we can discuss that on the next agenda.
* Chris Johnson asks Thomas to prepare a claim for the January Board meeting.

**8. Information item- update on Strategic Plan.**

More detailed discussion is tabled until January. The plan has been uploaded to the SEFD website. The Implementation team met December 9th and will meet monthly in 2025, the second Monday of each month. We have started to complete selected objectives but Chief will forgo a lengthy presentation due two Board members not being here today. Ruth Ann LeFebvre asks how the new recruits are brought in and Chief responds that they are volunteering to come a be a part of the Strategic Planning team.

**9. Review, discussion and possible action, acceptance of equipment and other durable items from Goodyear Fire department.**

Goodyear Fire Department is donating 6 large comfortable reclining chairs like new and three TIC units and SEFD needs to accept the donation.

*Russ Kolsrud moves to accept the donation of chairs and TIC units from Goodyear Fire Department, Ruth Ann LeFebvre seconds the motion and it’s approved without opposition.*

 **10. Consideration of agenda items for future meeting**

* Consideration of a Cooperative Agreement and notice of claim for the SCC Treasurer Fraud.
* The SEFD board needs to elect: Russ Kolsrud and Robert Garber.

*Russ moves to adjourn the meeting; Ruth Ann LeFebvre seconds the motion and the motion is carried without opposition.*

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