Sonoita-Elgin fire District

Minutes to the Board of Directors Meeting

January 22, 2024

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

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

Chris Johnson, Russ Kolsrud, Robert Garber, Eddie McArthur, and Ruth Ann LeFebvre are present at the meeting and 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.**

No call to the public.

1. **Approval of the minutes from December 18, 2023.**

*Russ Kolsrud makes a motion to approve the minutes for Board Meeting, December 18 2023, Robert Garber seconds the motion and it passes unanimously.*

**\*\*10**. **Presentation, discussion and possible action-FY22-23 Financial Audit (Walker & Armstrong)\*\***

* Chris Johnson skips to item number 10 due to Walker & Armstrong presenting via zoom this morning.
* Jay Parke, CPA, Audit Partner with Walker & Armstrong presents the results of the 2023 Audit for SEFD.
* Jay Parke shares his screen to review the FY22-23 Audit with the Board members, which includes three sections: the Financial Statement, The Report on Internal Controls, Compliance & Other Matters and Communication with Those Charged with Governance.
* We are at 77% coverage for that cash investment, 1.2 million which is a strong amount and Jay Parke states that the district is sitting very good financially. Jay Parke states that you don’t want to drop below 10% as a fire district.
* Not a big change, total long-term obligations are just under $200,000, which is very strong financially.
* Internal Controls reported some lack of receipts on Cash Receipts and missing some supporting documents and we communicated with administration and there are plans to address these findings.
* Chief Meredith commented that none of the findings were a surprise to administration and we had a chance to talk to Walker & Armstrong and address the concerns.
* Jay Parke stated that they had good communication with the district and were pleased to report that the audit went well and everyone was very responsive to get what they needed.
* Jay Parke did not have any disagreements with management, it went smoothly.
* Chief Meredith comments to the Board that Walker & Armstrong has served us well but we may want to explore other options for audit review in the coming years.

*Eddie McArthur moves to adopt the FY22-23 Audit as presented and Robert Garger seconds the motion, all vote to adopt the FY22-23 Audit from Walker & Armstrong, unanimously.*

1. **Report from the Fire Chief.**
* **Administration and Budget**: We are working with Walker & Armstrong to set up bill.com to pay our accounts payable. We are planning to meet with each shift month to give them the opportunity to chat and have dedicated time with administration.
* **PSPRS Local Board:** We had a vacancy on our local PSPRS board and we ran an election and Taylor Glasser was voted in by our members as our newest PSPRS local board member.
* **Operations:** We had one new recruit in December and he has been here twice, we did not have any other member join the district in December. Engine 822 has gone back to Arizona Airways for the tilt cab as during a truck check the cab would not tilt back, it was off by a couple inches. Estimated time for repair is 6 weeks and will be covered under the insurance claim. Utility 819 should be back in service next month as it sprung an oil leak, that is covered under our extended warranty. Tender 828 is back in service. Two of our three ambulances have patient loading systems and with Medic 832, it had extensive repairs to the patient loading systems but it is back in service. The goal would be to have all three medic units have patient loading systems, we still need to retrofit Medic 831 with a power load and patient loading system. Numbers for December 2023: EMS 29 incidences, FIRE 12 incidences and SERVICE 18 incidences. Zone 1 had 26, zone 2 had 6, zone 3 had 7, zone 4 had 4 and zone 5 had 16. Shift A responded to 25, Shift B responded to 18 and Shift C responded to 16. We ended 2023 with 698 incidences, which I believe this is the highest number we have seen. We would like to have more crew cohesion and to keep the shifts the same throughout the year.
* **Legislative Update**: HB 2609 has gone into effect and we applied for an extension to be in compliant with the bill. Chief Meredith is talking with HAS to install units in the other two ambulances to be in compliance with the HB2609. AFDA has a full-time executive director that works as a lobbyist and supporter for fire districts with the state legislature, District Flynn and AFCA which also has its only legislative lobbying efforts as well.
1. **Presentation and Approval of Monthly Financial Reconciliation and Reports pursuant to ARS Sec. 48-807.**
* Monthly financials presentedby Ben Archer-Clowes from James Vincent Groupvia zoom.
* December financials summary is presented on a graph, reason for the variance is slightly over budget in ambulance revenue, slightly under budget for tax revenue and non-tax revenue was over budget. From an expense standpoint we were $35,000 over budget, for the month of December personnel was slightly underbudget. Vehicle & equipment was approx. $38,000 over budget.
* For Fiscal Year to Date, we are 92,000 over budget, it depends on when you receive tax revenue. Historically, you collected a smaller percentage of your tax revenue this year.
* On the expense side you are 122,000 over budget, personnel are over budget and a vast majority of that is on overtime, overtime is trending $80,000 over budget. Fuel is $16,000 over budget; PPE is $20,000 over budget and vehicle maintenance is $29,000 over budget. These are highlighting the variances.
* Robert Garber comments on his concern on vehicle maintenance, Chief Meredith responds that the insurance check for Engine 822 came in on last fiscal year and then the expense of the repair falls into this fiscal year. Most important is to be at budget or have a surplus at the end of the fiscal year. We have time to make adjustments in this fiscal year depending on JVG’s findings.
* Chief Meredith comments on the PPE being over budget, it is important to Chief to get new fitted gear for our members versus using used gear. It shows we are making an investment in our members. NFPA, The National Fire Protection Association, best practice is for every fire fighter to have two sets of gear, we may not be able to meet that standard as a small district but we can have backup gear.
* Eddie McArthur comments that she wrote an article for a monthly column in PRT, Patagonia Regional Times, about the cost of PPE and a picture of Taylor Glasser in all her gear to educate the public about the cost of outfitting a firefighter.
* Ruth Ann LeFebvre asks about the amount of overtime in the budget, and Chief Meredith comments that with a full staff in 2024 it should go down throughout the year.
* Russ Kolsrud asks about the EMS consumables, Chief answers that we do not itemize our expenses when we transport a patient. We can ask for an increase annually from the state for our base rate plus milage but we have not increased it in two years.
* Russ Kolsrud asks about the legal fee’s and that we are over budget on that category, Chief Meredith responds that we have legal services available to us for all district, HR and Board Member’s needs. Chris Johnson also comments that we pay for legal fees for Board and for PSPRS local board and all new hires have to be addressed.

*Ross Kolsrud moves to approve the December 2023 financials, Robert Garger seconds the motions and all approve unanimously.*

1. **Information item-update on new website since launch**
* Tricia, Administrative Assistant, is continually updating the website and now sharing our monthly incidence stats on the website. It is operating smoothly.
* Tricia comments that pictures of the firefighters are now on the website and next month we will bring polo shirts for the Board Members and get those pictures posted.
1. **Update on referral to AZ Attorney General’s office of investigation regarding department claim with former Chief.**
* Chris Johnson received a certified letter from the state and they said thanks but no thanks and they will not be pursuing former Chief DeWolf.
* Chris Johnson asks if anyone wants to pursue this as a civil matter and go after him personally? Our old attorney advised against it.
* Board agrees that there will be no future action on the matter.
1. **Information item-Strategic Planning Process 2023-2026**
* The Strategic Plan folder is being constructed and we should have a draft in February.
* Chief Meredith will be meeting with the implementation teams and then give updates as we move along.
* Eddie McArthur writes a monthly article and hopes to educate our community about the needs of the district before the tax increase is proposed.
* Chris Johnson asks about the Mines and any additional information; Chief Meredith is going to be in contact with South 32.
1. **Information item-possible additional compensation for members in FY23/24.**
* Chief Meredith explains that Russ Kolsrud asked if we could take a look at what our members make and if there is a possibility to increase wages prior to the end of FY22/23.
* Chief Meredith asks Ben from JVG to be available for comments.
* Chief Meredith explains that we have to consider if the money available and keep in mind that this is the public’s money.
* Russ Kolsrud comments that the members stated in the internal strategic plan that they need overtime to be able to pay their bills. Russ continues to ask and clarifies that the Administrative Assistant position is ¾ time and not full time with benefits.
* Ruth Ann LeFebvre comments that she would want to know the details of the budget and if overtime goes down.
* Robert Garber comments that he supports the effort for the members and the new fiscal year is only 5 months away and would like gather more information and facts before making decisions. In his experience you just need to pay your members a good rate versus offering a bonus that then might become expected annually.
* Ben from JVG comes on via zoom to comment and make suggestions. The bonus is a difficult one and has a few complexities, it is appreciated but can become expected. One of the challenges is that as the Board you are dealing with the public’s money. On the discussion on increase in hourly rates it really depends, if you decide to increase a particular persons wage you would have to approve it as a Board. Ben’s suggestion is to wait and have projections into next year’s revenue, that way when we go into projections, we can give you some ideas of what that would look like over the next couple years. For February Board Meeting we can be prepared to present options for wage increases, we can give you the tax raise and assessed value.
* Ruth Ann Lefebvre asks about the tax rate and considering adjustments and Ben says he can report back with assessed value and tax rate. With the cost associated with what the Board would like to see, we would need some more specifics and March would more realistic.
* Russ Kolsrud comments that the position of Administrative Assistant should receive more compensation and he does not like deferring it to the next month or down the road. Chris comments that increasing Tricia’s hourly and status is not on the agenda and Tricia is Chief’s employee but would hope that he would consult the Board before making any changes. Chief comments that he needs all the details

and being prepared for the ramifications of that action, trying to improve the culture means that we would be more open and completely prepared to make any changes. Chief comments that he has to consider how it affects the entire organization.

* Chief Meredith clarifies the intention of the Board, that they would like numbers and projections on the cost of member salary increases and then also have a discussion about bonuses and the ability to vote on either in February.
1. **Consideration of agenda items for future meetings.**
* Potential for increases in salary for members for next FY24/25
* Increasing Administrative Assistant position pay and or status.

*Russ Kolsrud moves to adjourn the Board Meeting and Robert Garber seconds the motion, all members vote unanimously to adjourn.*

*Chris Johnson adjourns the meeting at 10:42a.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