



SUNSIDES-PEARCE FIRE DISTRICT

SERVING RESIDENTS OF THE SUNSIDES-PEARCE FIRE DISTRICT,
AND NEIGHBORING COCHISE COUNTY

Mailing Address: PO Box 507, 105 TRACY ROAD PEARCE, AZ 85625
PHONE: (520) 826-3645; FAX: (520) 826-3586

Sunsites-Pearce Fire District Regular Meeting November 19, 2013

1. **Call to Order** – The meeting was called to order at 10:30 a.m. by Mr. Schelling.
2. **Pledge of Allegiance** – Robert Fino led the attendees in the Pledge of Allegiance.
3. **Call to the Public** – See attached letters drafted and read by Mr. Roger Lance and Mrs. Louise Lance.

Mr. Cletus Frei spoke in regards to the repair of the fire hydrants within the District. Mr. Frei advised Interim Chief Josh Steinberg to contact Clear Springs Utility and request a flow test, in addition to making any repairs that may be completed. If Clear Springs Utility refuses to act, Mr. Frei indicated to contact the Arizona Corporation Commission. If the matter still is not being addressed, he recommended contacting the Arizona Attorney General's Office. Clear Springs is collecting monies on the hydrants and they are an integral part of the supply needed by the District. Mr. Frei further stated that this matter is well within the scope and the responsibility of the Fire Chief.

Mr. Frei then addressed Mr. Schelling regarding his concern of Mr. Schelling being covered under the Fire District's health insurance plan. Mr. Frei does not believe that it is legal and that he will be doing some investigating into the matter. Mr. Frei stated that Mr. Schelling is acting as a Board, not an employee; in addition, Mr. Schelling must act under the Statutes of the State of Arizona.

Mr. Schelling indicated to Mr. Frei that he had looked into the matter regarding the health insurance. Due to him being appointed by the County Board of Supervisors, he is within the legal boundaries of being covered by the District's policy.

4. **Consent Agenda**
 - A. **Approval of Warrants.** Mr. Schelling approved all Warrants.
 - B. **Financial Reports.** Jill Schultz went over the Financial Reports with Mr. Schelling. See Attached Report. Schultz indicated that the District received real and personal property taxes in the amount of \$115,228.24 in October. This is approximately \$21,000 less than what the District received in October of 2012. Schultz further indicated that Ambulance billings are being tracked on a monthly basis as the amounts billed, amounts received and the Medicare

write off amounts. Schultz further indicated that the District had paid off the line of credit amount with the County on October 24, 2013. Administrator Schelling approved the financial report.

C. Approval of Expenses. Mr. Schelling approved all Expenses.

D. Approval of Minutes Mr. Schelling approved the Minutes from the October 22, 2013 Regular Meeting.

5. **Fire Chief's Report.** Interim Chief Steinberg presented the Fire Chief's Report. See attached.

Chief Steinberg reported the number of EMS and Fire calls the District had over the past month. Over the past month there were 33 EMS calls and 7 Fire Calls. The total EMS and Fire calls year to date are 492.

Administrator Schelling approved the Fire Chief's Report.

6. **Fiscal Year 2012-2013 District Audit.**

A. Presentation and Review of Audit by Monika Patience, CPA. Administrator Schelling introduced Anne Carl, the District's Attorney and Monika Patience, the District's Auditor.

Mr. Schelling indicated that the Audit would be posted on the District's website in the afternoon for the public's review.

Ms. Patience began the audit presentation by addressing Mr. Frei as to the Clear Springs Water and fire hydrant matter. She stated that it is included in the audit that the District will be working with Clear Springs Utility Company to be sure that the fire hydrants within the District are operational. She further indicated that the District could enter into an agreement to seek grant funding to make improvements to the fire hydrants. Due to the hydrants being the property of the Clear Springs Utility Company, they would have to make the improvements.

Ms. Patience indicated the District received an increase in Real and Personal Property Taxes as well as Fire District Assistance Tax in the 2012-2013 fiscal year. The District just about broke even and did much better financially than the previous fiscal year.

Ms. Patience then addressed the ambulance billing and explained the deficiency from the previous fiscal year audit. She stated that the District must recertify every year with Medicare to continue to receive Medicare payments. She stated that the certification paperwork was completed; however there were errors that held up the processing. Until the errors were corrected, the District did not receive Medicare payments for 2012, creating a large accounts receivable accumulation for the 2012-2013 fiscal year. She stated that Medicare only pays approximately 40% of the total amount charged by the District.

Ms. Patience asked the public if they had any questions or comments. Mr. Frei stated that there was not enough information provided to have a comment or question.

Mrs. Louise Lance inquired as to the statement Mrs. Patience made regarding the ambulance billing and the Medicare recertification. Ms. Patience indicated that the recertification had been sent in, but there were errors causing a delay in the approval therefore the Medicare payments were not received on a timely basis. Mr. Schelling indicated that the PO Box was also an issue with the recertification process.

Mr. Frei inquired as to the allegations of previous chief's and administration regarding missing funds.

B. Comments and Questions by Administrator Mr. Schelling asked Mrs. Patience to explain the information requested by the Auditor General and if there were any red flags for the 2012-2013 fiscal year that needed to be addressed. Mrs. Patience indicated the only issue was with the Medicare recertification process taking too long. Ms. Patience indicated she went through every call from November of 2012 thru March of 2013 as to how it was billed, payments received and Medicare write offs. She indicated there was an answer and documentation to every call, the case being either being paid in full, or amounts still due and owing. She further indicated there were no problems in the billing process. The District contracts with Fry Fire for medical billing, however the District does reconcile with them every month. Several factors can hold up a payment from Medicare such as social security numbers, birth dates or an address error. After Medicare payment is received, the bill is then sent to the secondary insurance for payment.

Mr. Schelling then inquired of Ms. Patience regarding her meeting with Mr. Saunders, the District's previous auditor. He asked if Mr. Saunders was cooperative. Mrs. Patience indicated he was cooperative but he would not provide her with records, however he did let her review his documents. She was only able to meet with him and review documents for one hour. Mrs. Patience indicated she had questions after the meeting and contacted him. She stated that he answered her questions right away.

Mrs. Patience went on to say that there was a section in the report that stated that the Fire District operated in the Black (meaning at a profit), but that wasn't true. Mr. Saunders told Mrs. Patience that the information was provided to him by the administration in office at that time and he took their word for it.

Mr. Schelling inquired of Mrs. Patience regarding accounting practices being different from a government or municipality and a business. Mrs. Patience stated that yes there was a different accounting principal. She indicated that a government operates under Fund Accounting.

Mr. Frei inquired of Mrs. Patience as if the District operated in the red most of the year. Mrs. Patience indicated that the District did operate a little in the red for the 2012-2013 fiscal year, but in the 2011-2012 it operated more in the red.

- C. Public Comments regarding Audit.** Mr. Fino commented that he did not see any drastic or outstanding errors made by the Fire District in the audit. Mrs. Patience indicated that he was correct. Mr. Fino stated that he did not see any outstanding issues or monies missing. Mrs. Patience indicated that there was an issue regarding an allegation made that documents or files were removed from the District by a former committee member. The District has requested that the records be returned, however they have not yet been returned. The Auditor General contacted Mrs. Patience on Monday, November 18, regarding the matter. All of the District's passwords have been changed. However, the Auditor General indicated it had to be disclosed in the Audit.

Mr. Frei had a comment concerning the PTO that was paid to the former chief while he was still employed without a board ruling on the matter. Mr. Frei stated that he believed he was paid twice in the amount of \$3,700 each within two weeks. He never brought his request to the board. He was paid by the then current board chair and a board member. In addition, he was paid at the chief scale, not the captain scale for which it was accrued. Mr. Frei stated he was referring to former chief, Paul Petersen. Mr. Frei would like to know if it was accurate and if he was overpaid and will the District get paid back. Administrator Schelling indicated he has consulted Anne Carl on the issue and it is his belief that Paul Petersen did have PTO coming, but not as much as he took which is the issue. If Mr. Petersen received money that he should not have received, the District will take steps to get that money back. Mr. Frei inquired if the money could not be returned by Mr. Petersen is there an opportunity to obtain the funds from the previous board members that approved the payment to Mr. Petersen. Mr. Schelling indicated he would check with Ms. Carl regarding the matter. Interim Chief Steinberg indicated that the District is actively looking into the whole picture and investigating it and will be working with Ms. Carl. The District will find out what happened and why it happened and go from there.

Mr. Fino inquired if this audit was a financial review due to the budget being under \$1 million. Mr. Schelling indicated that it was not. It was a full audit in light of the events that had transpired over the past year. Mr. Fino just wanted to state that this was a full complete audit and there were no exceptions or deficiencies. Mrs. Patience indicated that it was.

Mrs. Louise Lance had a comment regarding the EEOC Complaint with Lori Tucker. She is inquiring why this matter has not been addressed or talked about. Further, Mrs. Lance would like to know why the County did not step forward and return the money on deposit with them for the employment taxes to the District so the District could pay the IRS. Mrs. Lance indicated she has interviewed Lori and researched her work. Ms. Tucker never received any help when she was begging for help from the County, in addition to the sexual harassment. Mrs. Lance indicated that the taxpayers need to know, in addition, individuals that come to the District to work; they will know that we do our best to watch over other people to make sure this never happens again. Mrs. Lance further stated that Josh and Jill have started to turn the District around. At this time the Public does not know, Mrs. Lance has tried to bring it out but it has never been put in any articles. This needs to be addressed to bring respect to the Fire District. When Mrs. Lance began working on this, it was her goal to make this District the best in the County and State, but until this is addressed, she doesn't believe it will be.

Mr. Schelling indicated that due to this being an active case with Ms. Tucker and the EEOC he will not be commenting on it at this time. Mr. Schelling indicated the District is trying to solve it. Mr. Schelling further indicated that this matter has been around during the term of past boards and none of the boards attempted to settle it. It should have been addressed and settled by the past boards. Mr. Schelling indicated that Ms. Carl is working with the EEOC and once it is settled, information will be provided to the public.

Mrs. Lance went on to say that she was shocked while interviewing Ms. Tucker about what had happened at the Fire District. Ms. Tucker received no help and the public did nothing about it. Mrs. Lance indicated that she had checked Ms. Tucker's work and she had excellent work. The only problem was that Ms. Tucker did not receive any training when the District switched accounting programs from Peachtree to Quickbooks. It was the board's responsibility to see that she received training. Mrs. Lance stated that this matter needs to be taken care of to bring respect back to the District, that this was one of her biggest goals and that she would not go away.

Mr. Frei stated that the last board that resigned was only in office for three months. Mr. Frei stated that they were so harassed and so hindered that they did not have a chance to address the issue. It was the last board that continued to sweep the matter under the rug. There was one board member who continuously tried to bring it up and the chairman and other officers of the board that continued to sweep it under the rug. The most recent board that resigned did not have an opportunity to address the matter due to 36-40 complaints filed with several entities, lawsuits, accusations in court whereby they had to defend themselves and were unable to address the Ms. Tucker matter.

Mr. Frei then spoke regarding the \$6000 ambulance sale; he indicated that it had not been budgeted for the current year's budget. Mr. Frei stated that the funds should not go into the M&O account but into the Reserve Account or an account for next year's budget. Administrator Schelling stated that due to the tax revenues being down, that the District has to use it in the M&O account. Mr. Schelling further stated that if Mr. Frei has any authority as to not deposit the funds into the M&O account to please bring it to his attention.

Mr. Schelling thanked Mrs. Patience and accepted the audit under advisement.

Richard McMullen made a statement as a firefighter and taxpayer. He feels that the District is going in the right direction and Josh as Interim Fire Chief should be commended and assigned a permanent position as chief.

Mr. Schelling thanked Ms. Schultz and Interim Chief Steinberg for their help.

7. **Adjourn** – There being no further business, the meeting was adjourned at 11:16 a.m.

Respectfully submitted,

Jill Schultz

SUNSITES PEARCE FIRE DISTRCT OCTOBER 2013 FINANCIAL INFORMATION

BANK ACCOUNT INFORMATION:

M&O ACCOUNT	\$34,109.15
PAYROLL ACCT:	\$3,535.17
RESERVE ACCT:	\$14,317.51
PETTY CASH:	\$151.08

TOTAL BANK ACCOUNTS: \$52,112.91

REVENUES:

FIRE DISTRICT ASSISTANCE TAX:	\$ 2,510.08
REAL & PERSONAL PROPERTY TAXES:	\$ 115,228.24
SUBSCRIPTION SERVICE REVENUES:	\$ 718.48
AMBULANCE REVENUE:	\$ 27,647.98
WILDLAND REVENUE	\$ 186.16
DONATIONS	\$ 216.90
FIRE INS. PREMIUM TAX	\$ 317.60
OUT OF DISTRICT REVENUE	

TOTAL REVENUES \$146,825.44

ACCOUNTS RECEIVABLE:

WILDLAND	\$ 62,158.31
OUT OF DISTRICT	\$ 14,446.18
AMBULANCE REVENUE	

OCTOBERCHARGES	33,159.93	
RECEIVED	11,218.60	
Med write off	-6,197.93	\$ 15,743.40

AMBULANCE REVENUE 30-60 DAYS	\$ 15,174.04
60-90 DAYS	\$ 18,481.85
OVER 90 DAYS	\$ 21,494.72
OVER 400 DAYS	\$ <u>3,221.11</u>
Total 30+ DAYS	\$58,371.72

TOTAL CURRENT RECEIVABLES: \$ 150,719.61

ACCOUNTS PAYABLE: \$ 6,086.43

CREDIT LINE ADVANCE: \$ -



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Fire Chief's Report for November 2013

1. EMS Calls= 33
 - A. In District Calls=29
 - B. Out of District Calls=4
 - C. Number of Patients Transported=18
 - D. Number of Patients Flown Out=1
 - E. Number of Patient Refusals or Public Assists=14
 - F. Number of rollover or Motor Vehicle Accidents=0
 - G. Number of Mutual Aide Calls=1 received
 - H. Number of Dead on Arrival Calls=1

2. Fire Calls=7
 - A. In District Calls=1
 - B. Out of District Calls=6
 - C. Brush Fires=0
 - D. Structure Fires=3
 - E. Car Fires=0
 - F. Hazardous Materials=0
 - G. Other=4
 - H. Mutual Aide Calls=1 given

Total Fire and EMS Calls Year to Date=492

Training:

1. On duty crews have been completing weekly training sessions. These sessions included Hazardous materials placard review and Highway Safety.
2. We conducted an Emergency Vehicles Operations Class on October 25, 26, and 27. This training was completed with an in class session and driving course
3. We will be assisting in a landing zone class at AEPCO preformed by LifeNet 8 from Willcox. The training will be on December 11 at noon.
4. Admin/Secretary Schultz attended an Affordable care act for healthcare provider businesses on November 7th, 2013.

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5. Admin/Secretary Schultz attended a webinar on travel expenses for government entities on November 6th, 2013.

Wildland:

1. We have not been on any additional Wildland assignments since the last meeting. We currently have \$ 42,377.79 billed out for the Butler, Rough, Bisbee, and Texas summit fire. We have been paid for the Carpenter 1 fire, \$19,780.52.
2. Out of District Assignment, 2 Structure fires in Sunizona.

Hazardous Materials:

1. I attended the regional Hazardous Materials team training in Douglas on November 6th. The training was presented by the Army National Guard 91st CST. We conducted a full scale Hazmat scene setup and operation.

Maintenance:

1. Medic 302 is still OOS due to oil and fuel leak. We will hopefully be repairing soon.
2. Engine 301 had ignition and starter replaced, the cost for these parts was \$338.56. Repair was conducted in house. Air condition, rear main oil seal, and transmission slitter still need repair. Limited Use
2. E 306 needs batteries replaced. Will replace soon.
3. The Richland station has a hole in the roof, sky light area, and main water line from the pressure tank has broken. We will be fixing these soon.

Communication:

1. A huge Thank You to Mrs. Mary Apel, Stronghold Ready Mix, and Mr. Jim Grim for their generous donation of gravel at the Pearce Landing Zone. The material covered the entire area inside the barb wired fence area. Thank you very much.

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2. We participated in the first annual Sunsites Family Fall Festival Days on the frontage road. It was a great event.
3. The Pearce Elementary School First grade came to the SPFD station on October 28, 2013. We had a great time and thank Mrs. Hamilton for bringing them.
4. Three Points Fire District purchased M 304 on November 7th, 2013 for \$6,000.

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Sunsites-Pearce Fire District Profit & Loss October 2012

Oct 12

	Oct 12
Income	
INCOME	
Deposit Reimbursement	200.00
Taxes	
Fire District Assistance Tax	6,171.32
Personal Property Taxes	4,320.81
Real Property Tax	132,788.47
Total Taxes	143,280.60
Charges for Service	
Copy Charges for Public Records	23.75
Ambulance Revenue	15,320.81
Donations for a service provide	200.00
Fire subscriptions	58.32
Lockbox Program	35.00
Out of Dist Revenue	5.00
Wildland Revenue	2,014.84
Total Charges for Service	17,657.72
Misc Revenue	
Donations	25.00
Refunds	24.71
Total Misc Revenue	49.71
Investment Revenue	
Interest Income GF	10.04
Total Investment Revenue	10.04
Total INCOME	161,198.07
Total Income	161,198.07
Expense	
OPERATIONS	
Wildland Fire Expenses	226.62
Training	
Educational materials	686.49
Lodging	47.24
Total Training	733.73
Property Maint	
Supplies	23.00
Sunsites Station #1	256.49
Total Property Maint	279.49
Repair & Maint EMS	
M-303 2002 Ford 150	124.40
Total Repair & Maint EMS	124.40
Repair & Maint Fire	
E-305 1992 International	658.22
E-306 2004 Dodge	1,253.70
E-307 2006 Ford	41.53
Total Repair & Maint Fire	1,953.45
Utilities	
Electricity	
Arts and Crafts Room Qtrs	215.00
Main Station	418.14
Richland Station	14.48
Street Light #6115101	13.34
Total Electricity	660.96
Garbage Collection	52.75
Natural Gas	454.07
Telephone	
Stations Telephone	434.31
Telephone Verizon Wireless	115.35

Sunsites-Pearce Fire District
Profit & Loss
 October 2012

	Oct 12
Total Telephone	549.66
Water	
Arts and Crafts Room	21.15
Station Water	57.83
Total Water	78.98
Total Utilities	1,796.42
Medical Supplies	
Medical Supplies-Disposable	714.19
Total Medical Supplies	714.19
Fuel	3,335.07
EMS Billing	1,136.35
Miscellaneous Expenses	
Meals	57.11
Miscellaneous Expenses - Other	24.99
Total Miscellaneous Expenses	82.10
Total OPERATIONS	10,381.82
ADMINISTRATION COST	
Janitorial Expenses	68.77
Professional/Contract Services	675.00
Office/Misc Supplies	
Bank Fees	135.99
Annual Fees	58.00
Office Supplies	281.58
Postage-Mail	54.95
Total Office/Misc Supplies	530.52
Total ADMINISTRATION COST	1,274.29
Interest Expense	41.27
PERSONNEL	
Benefit Costs	
Health Insurance BCBS	2,731.14
Retirements 457/PSPRS	5,628.80
Workers Compensation Insurance	5,627.54
Employee Health & Safety	30.00
Total Benefit Costs	14,017.48
Payroll Tax Cost	
Payroll Taxes	
IRS Penalties & Interest	41,901.21
Payroll Taxes - Other	3,498.10
Total Payroll Taxes	45,399.31
Total Payroll Tax Cost	45,399.31
Wages & Salary Cost	
PTO	7,407.20
Wages	
Captain	6,124.25
Paramedic	5,914.36
EMT	12,184.40
Fire Fighters	3,158.83
Administrative	2,012.51
Fire Chief	
Salary	4,230.76
Total Fire Chief	4,230.76
Total Wages	33,625.11
Wages & Benefits	2,454.98
Overtime	
Administrative Overtime	0.00
Fire Fighters Overtime	250.95

1:49 PM
11/20/12
Cash Basis

Sunsites-Pearce Fire District
Profit & Loss
October 2012

	<u>Oct 12</u>
EMT Overtime	689.70
Paramedic Overtime	0.00
Captain Overtime	534.38
Total Overtime	<u>1,475.03</u>
Total Wages & Salary Cost	<u>44,962.32</u>
Total PERSONNEL	104,379.11
Reconciliation Discrepancies	
voided checks	0.00
Reconciliation Discrepancies - Other	-5.50
Total Reconciliation Discrepancies	<u>-5.50</u>
Total Expense	<u>116,070.99</u>
Net Income	<u>45,127.08</u>