

Columbia River Fire & Rescue
Regular Meeting of the Boards of Directors
58611 McNulty Way, St. Helens OR 97051
And Virtual via Teams Meeting
July 11, 2023, 7:00 pm

Regular Meeting: After due and legal notice, the Regular Board meeting of the Columbia River Fire & Rescue Board of Directors was called to order by VP Niles at 7:00 pm.

Present: Gary Hudson, Kelly Niles, Richard Fletcher, Ryan Welby, Austin Zimbrick

Absent: None

Others: FC Medina, DC Sanchez, DC Smythe, FM Pederson, K. Lehner, C. Feige, T. Armentrout, R. Melton, E. Schaver, G. Boles, B. Preheim, T. Maygra, M. Chandler, M. Stanton, M. Reed, A. Petersen, H. Tew, T. Fletcher, J. Fletcher, L. King, C. Booth, A. Booth, A. Barbouletos

Via Teams Meeting/Phone In: (see attached sheet for attendees)

Flag Salute: VP Niles led the flag salute.

Oath Of Office: VP Kelly Niles swore in 3 new board members, Ryan Welby, Austin Zimbrick, Richard Fletcher.

Closed Executive Session: Legal Counsel ORS 192.660 (2)(f)

After the closed executive session concluded, the forensic accountant Rob Moody provided a summary of the special meeting that took place on June 30th, 2023. Akin Blitz with Bullard Law opened the discussion by explaining that his firm had been retained by Columbia River Fire & Rescue board of directors to manage the forensic audit. The DA, County Prosecutor, and OSP appreciate the assistance the forensic audit has provided in determining possible crimes that have occurred. The DA and OSP are engaged in an ongoing criminal investigation in which the district is fully cooperative. Mr. Blitz confirmed that the board requested a forensic audit to identify financial management, accounting, and record-keeping weaknesses. He further explained that the audit is incomplete and won't be complete until more records and supporting documentation are available. Mr. Blitz made clear that multiple circumstances show poor accounting practices within the district financial system prior to the arrival of Chief Sanchez and Chief Medina. Mr. Moody's report does not determine any criminal activity or wrongdoing. Criminal conduct, if any, is within the purview of the Oregon State Police in its ongoing investigation.

VP Niles asked about clarification of records not yet available. Mr. Moody clarified that CRFR has provided a lot of files, and subpoenas have been issued to multiple agencies. The subpoenas have not run their course; therefore, there is still outstanding documentation that will take time to receive. Mr. Zimbrick asked about missing records, and Mr. Moody said backup documentation relating to credit card charges from 2016-2020, but 2021-2022 had more completed documentation. Mr. Zimbrick asked Chief Smythe about the process for turning in backup documentation for credit card charges. Chief Smythe gave a brief overview about filling out a purchase order, attaching receipts/documentation, and then turning it in to the finance director. Mr. Moody went on to discuss the findings so far about the internal control weaknesses, which encompass supervision/oversight, review of documentation in support of expenditures, effective segregation of duties between initiation of a transaction and approval of that transaction, effective review of financial information by chief officers or the board. Mr. Moody spoke of the fraud triangle and the three sides: opportunity, rationalization, and motivation. Take away any one, the incidents of fraud are greatly diminished. Opportunity is one side of the fraud triangle the district has any control over. A strong structure of internal control can reduce that. Mr. Moody gave an overview of the audit report that was supplied to the board members on June 30th and posted on the CRFR website, concluding that really sloppy accounting practices occurred in the district.

Changes to the agenda: Election of officers

VP Niles opened the nominations for board chair, Mr. Welby nominated Kelly Niles for board chair, Mr. Fletcher 2nd the nomination, all in favor, 5-0

President Niles opened nominations for VP, Mr. Fletcher nominated Mr. Welby, President Niles 2nd, all in favor, 5-0.

President Niles opened the nominations for secretary/treasurer, Mr. Zimbrick nominated Richard Fletcher, VP Welby 2nd, Gary Hudson nominated Gary Hudson for secretary/treasurer, President Niles 2nd the motion, all in favor for Richard Fletcher, 4-1. Gary Hudson opposed.

Public Comment: Chuck Custer, Ronda Melton, Brady Preheim, Matt Chandler

Correspondence: None

CRFR Consent Agenda: Included in the consent agenda are the minutes from the Regular Board meeting on June 13, 2023. Secretary Fletcher asked about a check to Bullard Law. Mr. Aiken explained it was a retainer for services, including the forensic audit, and Chief Sanchez confirmed it was a signed resolution from a previous board meeting. Director Zimbrick asked about check numbers and why they are not in order. Chief Sanchez explained that only cleared checks will appear on the bank statements. The check numbers missing could relate to a voided check or checks that have not cleared. Director Zimbrick requested a new report that displays checks cleared and not cleared. Secretary Fletcher asked about check 74320 CDR Labor Law, Chief Sanchez said it was for the labor attorney relating to union negotiations. Secretary Fletcher asked about checks 74353 and 74355 Wolfe Consulting. Chief Sanchez confirmed those were approved by resolution for accounting services, budget services, and forensic audit assistance. Director Zimbrick asked about check 74331 to Kate Lehner, Chief Sanchez confirmed it was for reimbursement for office supplies. Specifically, a computer monitor stand that Mrs. Lehner purchased, and she was reimbursed for the expense she paid for out of pocket. Chief Sanchez clarified that the cash flow analysis gives a detailed breakdown of money coming in and money going out. Director Hudson moved to approve the consent agenda, Secretary Fletcher 2nd the motion, motion carries 5-0.

Chief Officers Report: Chief Medina confirmed the budget submission and strategic plan completion. A Civil Service meeting is being scheduled for the end of July to review three applications that have been submitted for firefighter paramedic roles. There is one vacancy currently, and the list will be verified at the Civil Service meeting.

Old Business: President Niles inquired about the arbitration date/time. Director Hudson confirmed July 26th. President Niles asked about the St. Helens bathroom remodel status. Chief Medina said that the contractor that bid on the job and was approved at the June board meeting pulled out of the project due to the BOLI complaint filed by Richard Fletcher. VP Welby said he knew contractors he could call to bid on the project.

New Business: President Niles discussed setting up media outlets for board meetings. Chief Medina confirmed that CCOM was an option for the monthly board meetings, and reservations would be made. In-person attendance and virtual attendance would always be an option. Agendas are posted to the website and emailed to different media outlets. President Niles said that a resolution would need to be in place at the next board meeting.

VP Welby requested a meeting with the labor attorney before arbitration to better understand the grievance. President Niles requested that Chief Medina reach out to the attorney to schedule a meeting.

Mr. Aiken discussed the new board members attending training so that they can be well informed of their duties and what their obligations are.

Director Zimbrick requested district email addresses, and Chief Medina said he would put the request in with the IT department.

Director Zimbrick requested that the forensic audit dates go through the current date. There was further discussion on the end date, which was decided on June 30th, 2023. Director Zimbrick made a motion to have the forensic audit go through 06/30/2023, VP Welby 2nd the motion, all in favor, 5-0.

Director Zimbrick said he was told that Chief Medina's district vehicle was parked at Hans Feige's office. He asked for an explanation. Chief Sanchez explained that signatures were required on a resolution from a past board meeting.

VP Welby discussed a seminar with Jeff Johnson. President Niles agreed and would like to see some options for dates to meet with Jeff Johnson, Chief Officers, and the Union. VP Niles will reach out to each party to coordinate a time.

Secretary Fletcher requested an addended budget. Chief Medina clarified that it was in the approved budget that is posted on the website.

Secretary Fletcher requested all board meetings in video format be posted on the website.

Board Comments:

Secretary Fletcher asked if anyone was doing the fairgrounds this year. He inquired if vols were taking a rig to the fairgrounds.

Director Zimbrick commented that he hopes everyone can work together and get the ship right for smooth waters. Thanks to everyone for being at the meeting.

Director Hudson, welcome to the new board members, and thank you to all that came. It's nice to see all the new faces. Board meetings are every month. Civility is a nice thing to have and lubricates the conversations that are had. When identifying uniformed officers, respect needs to be acknowledged by addressing them appropriately.

President Niles, thanks to the new board members, there were a lot of good questions and discussions.

Adjourn: 22:19