

**Sublimity Fire District
Board of Directors Meeting Minutes
Wednesday, December 12, 2007**

Meeting called to order: by Ralph Fisher at 7:01 p.m.

Members present: Rick Kauffman, Gary Rychard, Ralph Fisher

Staff present: Chief Tim Frost, Amy Doran

Others present: Gene Ditter, Brandon Hamilton, Doug Parham, Dan Gerig, Ken Jones

Additions/Deletions to Agenda: None

Citizen Comments: None

Firefighters Association Input: Gene Ditter touted this year's Turkey Shoot's success. He also thanked the Harvest Festival Committee members for helping out again. The tree lighting went well, despite the weather. The association is now distributing 40 food baskets to local families, instead of the planned-on 20.

Reading of Minutes:

MOTION: Rick Kauffman moved to approve the minutes for October 10, 2007. Gary Rychard seconded. Motion passed; a voice vote was unanimous.

Communications: The district received thank yous from the Jenkins family, who purchased a fire station birthday party at one of the local auctions, and from the Stayton-Sublimity Chamber of Commerce, for hosting the December Forum Lunch and doing such a lovely job of it. The district made a very small amount of money doing it. Chief Frost said that, even if the district had lost a small amount of money on the endeavor (which it didn't), it was a great p.r. event. The board agreed. Chief Frost informed the board that the district did not receive an AFG grant for the 2007 grant period, but will go back out next year.

Payment of Bills: There was discussion regarding the PERS issue and its effect on the budget. The board must act before July 1 to use contingency or do a supplemental budget.

MOTION: Gary Rychard moved to pay the bills for October and November. Rick Kauffman seconded. Motion passed; a voice vote was unanimous.

Chief's Report:

Alarms: No call totals were available for the board due to Amy being out of town.

Old Business:

Ordinance relating to volunteers serving on the board: Ken Jones, attorney for Speer Hoyt, discussed the issue of volunteer firefighters serving on the board and conflict of interest laws.

-He also presented the board with information on passing an ordinance.

-He discussed the problems with volunteers serving on the board and listed several examples. He also noted that our current volunteer on the board probably won't be able to vote on the budget.

-An appointed member of the budget committee cannot be a volunteer or paid employee of the district.

- If a complaint is filed with the Oregon Ethics Committee for an undeclared conflict, there is no liability to the district; the individual is liable.
- There was discussion on the “rule of necessity,” where, if there is no quorum without the person who has a conflict, that person cannot participate in any discussion on the matter; they can only vote.
- Gary Rychard asked for Ken’s recommendation on whether passing the ordinance would be a good idea.
- Ken said that if there is any interest within the community in serving on the board, the district should adopt the ordinance. He then cited other examples of issues that had created problems for districts with volunteers on the board.
- Gary wanted to know about the personal liability to board members in those situations.
- Ken said that the liability is to the district, with potential personal liability as well.
- Rick asked if there was a recourse for other board members in those types of situations.
- Ken said the only recourse would be a recall. He noted that the biggest problems result when changes are made within the district and the other volunteers corner that specific board member.
- Gary asked Ken to list some of the pros of not passing an ordinance.
- Ken said that, in his mind, there is no way he wouldn’t have the ordinance in place, unless there was zero interest in the community in serving on the board.
- Brandon Hamilton asked-- if an ordinance passed, would that prevent Ralph Fisher from serving on the board if his son were on the department?
- Ken said that it would not; he would still, however, need to declare a conflict.
- Gary asked Ken about the new ethics rules and what paperwork needs to be filed.
- Ken said that it did not apply to special districts.
- Chief Frost asked Ken to discuss volunteer pay.
- Ken said that FLSA determines whether someone is an employee or volunteer. It allows for providing remuneration to a volunteer as long as that amount is half of what someone would’ve received for a paid position. This only applies to wage/hour law, however, not to the IRS. As far as the IRS is concerned, you are either an employee or an independent contractor. You can reimburse volunteers for expenses, but must do so on an “accountable plan” (where receipts are submitted for certain items, e.g. mileage, meals, special clothing, etc., and volunteers are reimbursed accordingly).
- Ken’s recommendation was to find other ways to offer remuneration (e.g. Aflac, HSAs, etc.) The volunteer association and district need to decide what’s important to them and whether/how switching away from the current system would affect the department. If the district decides that it needs to continue paying volunteers, then it would be required to do W-2s.

New Business:

Audit: Auditors Doug Parham, a partner with Boldt, Carlisle & Smith, and Dan Gerig, were present to review the audit for FY 2006-07. Doug reviewed the audit. He hit upon key elements and then answered questions.

- Gary Rychard asked how Estacada’s problem was not caught with the annual audit.
- Doug said that the problem was that a lot of people were not looking in the right direction. He said that an issue like that occurs first with people within the organization not paying attention. He stressed the importance of having checks and balances within the organization. There was general discussion relating how to prevent a problem like this occurring within Sublimity’s district. The board appreciated the helpful way the auditor presented the audit information.

MOTION: Gary Rychard moved to approve the FY 06-07 audit as presented. Rick Kauffman seconded. Motion passed; unanimous.

Surplus Equipment: Chief Frost asked the board to declare (4) 4500psi compressed air storage bottles, (2) mobile radios and (3) bicycles surplus.

MOTION: Gary Rychard moved to declare the items listed above as surplus. Rick Kauffman seconded. Motion passed; unanimous.

Good of the Order:

Chief Frost advertised the pump in the classifieds section of the Daily Dispatch and has received no bids. He said that there was an interested local party, but not for the advertised price; the board would have to give a number for a lower price.

MOTION: Gary Rychard moved to drop to the sealed brush tank bids to \$2000 OBO. The board reserves the right to reject any and all bids. Rick Kauffman seconded. Motion passed; unanimous.

MOTION: Gary Rychard, based on Ken Jones' presentation, moved to start the legal process to adopt an ordinance preventing volunteer firefighters from serving on the board .

After brief discussion, the motion was rescinded. There was discussion regarding the FlexLease. Chief Frost presented the board with a payment schedule for the FlexLease. The interest rate was better than anticipated.

Adjourn:

MOTION: Gary Rychard moved to adjourn the meeting. Rick Kauffman seconded. Motion passed; unanimous. Meeting adjourned at 9:05 p.m.

Respectfully Submitted by Amy Doran

Approved by Jeff Kropf