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might want to slow down on sending our people to training academies," he said.

A conflag, or conflagration, is an extensive fire that destroys a great deal of land or property, and often requires a fire district to call for outside help. Departments who respond to these fires get paid, but the money tends to take time to actually enter the accounts.

McClure explained that the shortfall faced by SVFR has come about due to a combination of overdue reimbursements from supporting California fire suppression efforts, later than expected arrival of tax allocations from Lane County and accounting errors made by McClure and her predecessor.

McClure has asked for and received supplemental bookkeeping support and additional training from Kathy Taylor, a retired CPA, to assist her as she learns the proper procedures that should be used in the future by SVFR and WLAD.

According to McClure, Taylor needed to extend her contract, which would require the board to authorize \$9,000 in additional funding.

The SVFR board voted to approve this.

In a letter to the board, Taylor explained the errors that she has uncovered while working to bring McClure up to speed. She expressed surprise that the special audit work done at the end of last year returned a clean audit report, as she had found additional and ongoing errors in accounting.

"You may recall I mentioned in one budget meeting that I was surprised you had received a 'clean' unqualified audit opinion last year," Taylor wrote. "That is accountant-speak for 'the books are not auditable.' Your auditor did not arrange to perform a site visit before year end, which they had typically done in the past. I suspect the auditor may have been considering their ability to perform your audit this year if the situation had not improved. Auditors are required to maintain independence. Last year must have been problematic for your auditors based on my findings."

Taylor went on to say that the original contract that she entered into with SVFR and WLAD had assumed that the two organizations had integrated their accounting

procedures prior to her work. This belief was the basis for her initial bid of \$15,000. After seeing the state of the district's books and working with McClure, Taylor requested the additional \$9,000 to complete her work.

"I assumed that meant one general ledger was in place with a subsidiary company. That was my misunderstanding," she said in her letter. "There are actually two completely separate sets of books, with two completely separate charts of account. This in itself is not a serious increase in effort. I believe we could easily be done with ONE entity for under the original budget of \$15,000. ... At this point, however, I predict the total will be closer to \$24,000 for both."

"The scope hasn't changed as much as the depth of the extraordinarily inaccurate accounting for both entities which had been that way for at least two years."

The reaction to McClure's report and the attached letter from Taylor seemed to stun the directors, as reports from McClure over the last few months had given no indication that SVFR was facing a revenue shortfall of this size.

During the meeting, McClure did mention that there is a strong possibility that the shortfall should be reduced by \$200,000 to \$300,000 when outstanding reimbursements and delayed tax revenue have been received.

This observation did little to calm the audience or the board.

Langborg provided a response to the concerns in a later discussion with the Siuslaw News.

"The information presented in Mrs. Taylor's letter is the result of

the work we hired her to do in the spring of this year. This work included reviewing and reorganizing our financial records while creating new processes to ensure accurate accounting in the future. District staff and the board of directors were aware that we had bookkeeping errors prior to this report, which is why we hired her," Langborg said. "I asked Mrs. Taylor to write this letter to provide an accurate picture of the challenges we are facing so that our board would understand why we are asking for additional funding to continue her work. In other words, the work that needs to be done to correct these problems is well under way. Before you can fix a problem, you need to know what to fix."

In regard to the newly projected shortfall faced by SVFR, Langborg believes the solution would be simple if it is still needed later in the year.

"The shortfall in the amount of money available to be used at the beginning of the new fiscal year was the result of a miscalculation made during the budgeting process, increased waiting times for grant and wildfire response reimbursements and the increased cost of providing service," he stated. "We currently have and will continue to have money to deliver service. If needed, the district can utilize a line of credit provided by a local bank to provide funding until tax revenue begins coming in November."

Director John Carnahan, himself a longtime supporter and former employee of the district, expressed disbelief over the whole situation.

"For over 60 years, this department has never borrowed money," he said. "It makes me absolutely

sick that we are in this position, and the things that led up to it. I think we need to take some action and I would like to discuss this in executive session."

The board then adjourned into executive session to discuss the issues.

While still in the public comment section of the meeting, Marvin Tipler, a retired operations chief with SVFR, said, "I spent 35 years as a volunteer and paid person here. It is absolutely appalling to me to see this department being destroyed the way it is being destroyed. You guys hired one person to manage this department. To need to borrow half a million dollars to keep the department running for the rest of the year is just appalling to me."

He said he believed the money had been mismanaged and that "there should be over \$1 million in the bank."

"If the money had been saved, like it was supposed to be saved, like the budget said it would be saved — but there were a million excuses," Tipler said. "... You guys hired one person and charged him with running the district. I think it is very well proven how this district has been run for the past few years. And it's up to you guys to do something about it."

The comments by Tipler were followed by those from former WLAD board member Ann Stonelake.

"I sat on this board for 20-something years and, if I'd seen all the mess that's in this letter, I would have asked for an independent auditor to come in and audit the books for one, two or three years in a row," Stonelake said. "This is inexcusable, and I am appalled at the mess we are in."

Separate from McClure's report, Langborg announced his resignation during his Chief Director Report. He informed the board that he has accepted a position with another fire district, though he did not release the city's name.

Board President Ron Green accepted Langborg's resignation and mentioned the chief had informed him prior to the meeting of his decision to accept the other job.

Green then thanked Langborg for his efforts over the past few years and wished him well.

At the conclusion of the meeting, Green summarized the next steps that will be taken by the SVFR and WLAD boards to not only begin the search to replace Langborg, but to clarify the future relationship between the two districts.

Green reminded the room that the two boards have each designated two sitting members to form a committee that will work together to determine an acceptable course forward for the IGA.

"The committee will create guidelines for measuring the IGA's effectiveness," Green said. "That includes financial effectiveness and, most importantly, operational effectiveness. It will review performance and create guidelines to insure the IGA is operating effectively. They will also develop a job description for a chief director."

According to Green, the next board meeting for SVFR and WLAD will be a joint meeting, to be held at SVFR Main Station, 2625 Highway 101, on Wednesday, Sept. 19, at 6 p.m. The meeting will be open to the public.

This story was approved by the Siuslaw News editorial board.

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The "Stories of West Africa Art Quilt Show" is coming to Yachats this month, a collection of art quilts created by internationally renowned award-winning artist Hollis Chatelain.



This show will be on display in the Yachats Commons, 441 N. Highway 101, Saturday, Aug. 25, and Sunday, Aug. 26, from 10 a.m. to 4 p.m.

Admission is a suggested \$7 donation. Chatelain employs a dynamic and characteristic style, marked by dreamlike imagery, elaborate use of color and intricate thread detail. She creates unique compositions that address challenging social, environmental and political themes.

Her work is found in public and private collections around the world and can be viewed at hollisart.com.

For more information, visit www.polly-plumb.org.



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