



## Arizona Automobile Theft Authority

### Board of Directors Meeting Minutes

Friday, March 16, 2018

AATA Office- 1<sup>st</sup> Floor Conference Room  
1110 W. Washington Suite 250, Phoenix AZ 85007

#### Board Members Attendance:

Dean Butler, Chair – Farmers Insurance Company

Chief Daniel Sharp, Vice-Chair – Oro Valley Police Department, Commander Kara Riley

Sheriff Paul Penzone- Maricopa County Sheriff's Office – **NOT PRESENT**

Sheriff Joseph Dedman, Jr. – Apache County Sheriff's Office – **NOT PRESENT**

Joe Brosius – Public Member

Director Eric Jorgensen – **NOT PRESENT**

Director Frank Milstead – Arizona Department of Public Safety, Lieutenant Col Daniel Lugo

Chief Roy Minter – Peoria Police Department- **NOT PRESENT**

Bill Montgomery – Maricopa County Attorney's Office, MCAO Auto Theft Bureau Chief Kristin Sherman representing

Matt Reed – State Farm Insurance Company

Mary Snider- Public Member

#### AATA Legal Council:

Tom Raine, Assistant Attorney General, AZ Attorney General's Office

#### Public/Guests:

Yvette Echandi-Mott – La Paz County Attorney's Office (Telephonic)

Wendy McHood- La Paz County Attorney's Office

Allen Quist- Pinal County Attorney's Office

Captain Damon Cecil- Arizona Vehicle Theft Task Force, Department of Public Safety

#### AATA Staff:

Frederick W. Zumbo, AATA Executive Director

Art Myer, AATA Chief Financial Officer

Ann Armstrong, AATA Grants Administrator

Amanda O'Halloran, AATA Administrative Assistant II

---

#### **I. CALL TO ORDER AND ROLL CALL**

Room, AATA Office- 1110 W. Washington St, Suite 105 Conference room, Phoenix AZ 85007

It was determined enough board members were present to meet quorum.

## **II. AATA BOARD CHAIRMAN'S REPORT - REVIEW, CONSIDERATION AND POSSIBLE ACTION**

- Approval of January 19, 2018 Board Meeting Minutes. The minutes from the public meeting conducted on January 19, 2018 were submitted in written form to all Board members for review and approval.

Mr. Matt Reed made a motion to approve the January 19, 2018 Board meeting minutes as presented.

Mr. Joe Brosius seconded the motion.

Motion approved unanimously.

- 2018 Election of AATA Board Officers & Subcommittee Assignments

Chairman

Ms. Snider-Nominated Mr. Dean Bulter to continue as Chair of the AATA Board.

Chairman Butler declined nomination. Chairman Butler nominated Mr. Matt Reed for Chair.

Ms. Snider motioned to have Mr. Reed as Chair.

Mr. Brosius 2nd nomination.

Motion passed.

Mr. Butler handed over meeting to Chairman Reed.

Vice Chair

Ms. Snider- nominated Chief Sharp as Vice-Chair.

Mr. Butler 2nd nomination.

Motion passed.

Law Enforcement Subcommittee

Mr. Butler advised that Chief Sharp would remain Law Enforcement Subcommittee Chair

Public Awareness Subcommittee

Mr. Brosius advised he would remain public Awareness Subcommittee

Legislative Subcommittee

Chairman Reed will remain in charge of Legislative Subcommittee

Vertical Prosecution Subcommittee

Ms. Kristin Sherman will remain in charge of Vertical Prosecution Subcommittee

### III. AATA REPORT - REVIEW, CONSIDERATION, AND POSSIBLE ACTION

- FY'19 AATA Budget Update
  - Executive Director Fred Zumbo advised that the FY '19 budget is still in process. No decision has been made.
  - HB 2002 in process and currently resides in Senate.
    - HB 2002 has gone to both appropriations and public safety committee where it had passed but with an amendment that added back JLBC approval, mirroring original bill

Ms. Snider - Asked for clarification that the amended bill has been passed in Senate and now resides with House

Director Zumbo confirmed.

Director Zumbo reiterated that we are use the funds from HB 2002 to make the programs whole and expand the vertical prosecution.

- July 2018 AATA Board Meeting Proposed date change to July 27, 2018
  - Director Zumbo advised AATA do not have funding to go up to Flagstaff for meeting
  - Ms. Snider confirmed that this is a funding issue only
  - Director Zumbo confirmed this is for cost savings to instead have a meeting down here in Phoenix where there would be no cost for staying overnight in Flagstaff.

Chairman Reed confirmed with board if date move was ok. No objections given, though Ms. Snider did advise should had a conflicting event and she would miss that meeting.

### IV. AATA FINANCIAL UPDATE, DISCUSSION AND POSSIBLE ACTION

Mr. Myer presented the AATA financial report.

#### **AATA Financial Summary as of February 28, 2018**

#### **Schedule 1 - Fund Balance Report**

1. Total YTD recorded income, **Line 2: \$,350,989.**
2. Total expended (excludes Reimbursable Programs), **Line 3: \$3,809,112.**
3. Legislative Transfers, **Line 4: \$0.**
4. Total expended Reimbursable Programs, **Line 5: \$0.**
5. Adjustments, **Line 6: \$0.**
6. Encumbrances, **Line 11: \$0.**
7. Ending Fund Balance, per AFIS, **Line 13: \$4,307,514.**

#### **Schedule 2 - YTD Revenue**

1. Insurance revenue received for the first and second assessment period of the current fiscal year (FY18),  
**Line 1: \$6326,548.0**
2. Reimbursable Programs, **Line 5: \$0.**
3. Investment income YTD, **Line 8: \$22,537**
4. Refunds of Unused Grant Funds (Prior Year), **Line 9: \$1,905.**
5. Total Income, **Line 11: \$6,350,989**
6. Cash Invested with State Treasurer, **Line 12: \$4,259,005.**
7. Line 13 & 14: Current Yield (1 Month): 1.60%, YTD Yield: 1.46 %

### Schedule 2.1 – YTD Revenue Analysis

1. Insurance assessment revenue received to date for the first assessment period of FY'18, Line 11: \$3,179,196. Projected assessment revenue for the period, \$3,206,280; amount collected approximately \$27,084 (0.84%) less than the projection, and \$41,263 (1.30%) above prior period. Collected amounts: By check-\$1,798,272, by ACH-\$1,380,924.
2. Insurance assessment revenue received to date for the second assessment period of FY'18, Line 21: \$3,147,352. Projected assessment revenue for the period, \$3,206,281; amount collected approximately \$58,929 (1.86%) below projection and \$31,844 (1%) below prior period. Collected amounts: By check-\$1,720,745,, by ACH-\$1,426,607.
3. YTD assessment revenue, % realized, Line 23: 98.66% of the projected revenue for the year. Projected revenue for FY 18: \$6,412,561.
4. Compliance: First collection period of FY18 is complete, second period will be completed in March.
5. No companies outstanding.
6. There are no extensions outstanding.
7. Current Collection Totals for FY'18: \$6,326,548 Projected revenue for FY'18 \$6,412,561. Amount collected by check: \$3,519,017 amount collected by ACH: \$2,807,531.

### Schedule 3 – Appropriations (represents a summary of budget and expenditures by category/grant program)

1. Lump sum appropriation (original) \$637,800. Adjustments: Increase \$5,900 (Health Insurance Adjustment) net increase of \$5,900. Total operating Lump Sum appropriation (including adjustments), Line 11: \$643,700.
2. Reimbursable Programs, Line 19: \$50,000. Appropriation by the Legislature giving the AATA the authority to raise and with the approval of the JLBC, expend the additional \$50,000.
3. No Legislative (budget) fund sweeps are currently planned for FY18.
4. Total Special Line Items, Line 21: \$4,657,700. (Reimbursable Programs: \$50,000 plus Grants: \$4,607,700=\$4,657,700)
5. Total current year appropriations (FY18), Line 22: \$5,301,400.

### Schedule 4 - Activity Summary (represents a summary of expenditures/encumbrances by program area)

1. Total Administrative Expenditures, Line 1: \$245,830.
2. Total Law Enforcement (Grant) Expenditures, Line 2: \$2,737,500.
3. Total Vertical Prosecution (Grant) Expenditures, Line 3: \$678,873.
4. Total Programs/Public Awareness Expenditures, Line 4: \$146,909.
5. Total Investigator/Special Projects Expenditures, Line 5: \$0.
6. Total Reimbursable Program Expenditures, Line 6: \$0.
7. Total Legislative Transfer, Line 7: \$0.
8. Total Legislative Transfer, Line 8: \$0.
9. Total Encumbrances, (Encumbered Column) Line 10: \$0
10. Total of all Expenditures, (Expended Column) Line 10: \$3809,112.
11. The statutory spending cap is 10% of revenue for administrative expenses. The administrative expenses percentage is projected to be 5.95% and is currently, Line 11: 3.87%.
12. Line 12: is the ratio of administrative expenses to total expenses. Projected to be 7.22% and currently 6.45% of total agency expenditures.

**Schedules 5-9 - Provide detail of AATA expenditures by program area.**

**Schedule 10 – Non-Appropriated Funds (Sims Metal Management)**

1. Beginning Balance, Line 1: \$29,664.
2. Travel: In-State, Line 9: \$315
3. Aid to Organizations, Line 11: \$9,394.
4. Other Operating Expenses, Line 12: \$1,100.
5. Transfers-Out, Line 14: \$1,572.
6. Total Expenditures, Line 15: \$12,381.
7. Encumbrances, Line 16: \$0.
8. Ending Balance, Line 17: \$17,283.

**Schedule 11 – Projected (Revised) FY '18 Spending Plan (Q1-Q4).**

**Quarter 1: July (Actual)**

1. Beginning FY18 Fund Balance, Line 1: \$1,765,637
2. Investment Income, Line 2: \$0
3. Insurance Collections, Line 3: \$1,922,794
4. Transfer to Special Project, Line 7: \$0
5. Total Lump Sum expenditures, Line 13: \$36,847
6. Total Grant expenditures, Line 24: \$912,500
7. Ending fund balance, Line 26: \$3,267,275

**August (Actual)**

1. Beginning Fund Balance, Line 1: \$3,267,275
2. Investment Income, Line 2: \$1,901
3. Insurance Collections, Line 3: \$1,133,152
4. Total Lump Sum expenditures, Line 13: \$53,640
5. Total Grant expenditures, Line 24: \$226,291
6. Ending fund balance, Line 26: \$3,596,110

**September (Actual)**

1. Beginning Fund Balance, Line 1: \$3,596,110
2. Investment Income, Line 2: \$4,159
3. Insurance Collections, Line 3: \$123,250
4. Total Lump Sum expenditures, Line 13: \$38,778
5. Total Grant expenditures, Line 24: \$0
6. Ending fund balance, Line 26: \$3,684,742

**Quarter 2: October (Actual)**

1. Beginning Fund Balance, Line 1: \$3,684,742
2. Investment Income, Line 2: \$4,234
3. Insurance Collections, Line 3: \$0
4. Total Lump Sum expenditures, Line 13: \$75,202
5. Total Grant expenditures, Line 24: \$1,141,169
6. Ending fund balance, Line 26: \$2,472,606

**November (Actual)**

1. Beginning Fund Balance, Line 1: **\$2,472,606**
2. Investment Income, Line 2: **\$3,305**
3. Insurance Collections, Line 3: **\$0**
4. Total Lump Sum expenditures, Line 13: **\$49,023**
5. Total Grant expenditures, Line 24: **\$0**
6. Ending fund balance, Line 26: **\$2,425,796**

**December (Actual)**

1. Beginning Fund Balance, Line 1: **\$2,425,796**
2. Investment Income, Line 2: **\$2,819**
3. Insurance Collections, Line 3: **\$0**
4. Total Lump Sum expenditures, Line 13: **\$42,642**
5. Total Grant expenditures, Line 24: **\$0**
6. Ending fund balance, Line 26: **\$2,385,972**

**Quarter 3: January (Actual)**

1. Beginning Fund Balance, Line 1: **\$2,385,972**
2. Investment Income, Line 2: **\$3,075**
3. Insurance Collections, Line 3: **\$2,228,886**
4. Total Lump Sum expenditures, Line 13: **\$59,251**
5. Total Grant expenditures, Line 24: **\$1,138,791**
6. Ending fund balance, Line 26: **\$3,419,891**

**February (Actual)**

1. Beginning Fund Balance, Line 1: **\$3,419,891**
2. Investment Income, Line 2: **\$3,043**
3. Insurance Collections, Line 3: **\$918,467**
4. Total Lump Sum expenditures, Line 13: **\$34,979**
5. Total Grant expenditures, Line 24: **\$0**
6. Ending fund balance, Line 26: **\$4,307,514**

**March (Projected)**

1. Beginning Fund Balance, Line 1: **\$4,307,514**
2. Investment Income, Line 2: **\$0**
3. Insurance Collections, Line 3: **\$0**
4. Total Lump Sum expenditures, Line 13: **\$68,319**
5. Total Grant expenditures, Line 24: **\$13,134**
6. Ending fund balance, Line 26: **\$4,250,339**

**Quarter 4: April (Projected)**

1. Beginning Fund Balance, Line 1: **\$4,250,339**
2. Investment Income, Line 2: **\$0**
3. Insurance Collections, Line 3: **\$0**
4. Total Lump Sum expenditures, Line 13: **\$53,266**
5. Total Grant expenditures, Line 24: **\$1,151,925**
6. Ending fund balance, Line 26: **\$3,045,148**

**May (Projected)**

1. Beginning Fund Balance, Line 1: **\$3,045,148**
2. Investment Income, Line 2: **\$0**
3. Insurance Collections, Line 3: **\$0**
4. Total Lump Sum expenditures, Line 13: **\$53,267**
5. Total Grant expenditures, Line 24: **\$0**
6. Ending fund balance, Line 26: **\$2,991,881**

**June (Projected)**

1. Beginning Fund Balance, Line 1: **\$2,991,881**
2. Investment Income, Line 2: **\$0**
3. Insurance Collections, Line 3: **\$0**
4. Total Lump Sum expenditures, Line 13: **\$54,392**
5. Total Grant expenditures, Line 24: **\$23,889**
6. Ending fund balance, Line 26: **\$2,913,600**

**FY18 Budget Highlights:**

1. Lump Sum: \$637,800 (Original)
2. Lump Sum: 637,800 (BOB Adjustment): \$5,900 increase (Health Insurance Adjustment).  
Net change: \$5,900
3. Lump Sum (Adjusted): \$643,700

**Special Line Items: \$4,607,700**

4. Arizona Vehicle Theft Task Force: \$3,650,000
5. Local Grants: \$957,700
6. Reimbursable Programs: \$50,000

**Total Special Line Items: \$4,657,700 (Grant Programs: \$4,607,700)**

**Grant Program Breakdown:**

**Task Force: \$3,650,000**

**Vertical Prosecution: \$930,942**

**Public Awareness: \$23,758**

**Law Enforcement Grants: \$1,000**

**Professional Training: \$1,000**

**Emergency/Discretionary: \$1,000**

**V. AATA PUBLIC AWARENESS & GRANT PROGRAMS REPORT**

- GENERAL UPDATE, DISCUSSION AND POSSIBLE ACTION

Ms. Armstrong gave brief report on several events that have happened as well as upcoming events in Wilcox and Douglas, Arizona.

Ms. Armstrong reminded the Board of the 2nd Cargo and Trailer theft training in Sierra Vista, Arizona in July.

Ms. Armstrong mentioned the Arizona Crime Prevention Association's hosting a Summer Conference in June 18th through the 21st in Sedona, Arizona.

Ms. Armstrong mentioned the AATA VIN Etching event for March 23rd at Wesley Bolin.

- Lt. Col. Lugo was asked if the Task Force was invited. Ms. Armstrong confirmed they were but has not confirmed if they would be there.

VI. **LAW ENFORCEMENT SUBCOMMITTEE REPORT, DISCUSSION AND POSSIBLE ACTION**

Deputy Chief Kara Riley -No Report.

VII. **PUBLIC AWARENESS SUBCOMMITTEE REPORT, DISCUSSION AND POSSIBLE ACTION**

Mr. Brosius- No Report.

VIII. **LEGISLATIVE SUBCOMMITTEE REPORT, DISCUSSION AND POSSIBLE ACTION**

Chairman Reed- advised that Director Zumbo covered most of it. He reiterated that it needs to go back to the House and then floor for a vote. Advised that all indicators are positive. Thanked staff for enduring the hearings, Ms. Ellen Poole for standing up and speaking for the AATA. Would like to recognize her for her efforts.

IX. **VERTICAL PROSECUTION SUBCOMMITTEE & AUTO THEFT PROSECUTORS REPORT, DISCUSSION AND POSSIBLE ACTION**

Ms. Sherman recapped current cases for Maricopa County Attorney's Office auto theft cases.

- Advised that Mr. Montgomery would not be in attendance for July's meetings due to conflicting conference.
- She advised her team and 2 Auto Theft Task Force detectives did an Auto Theft Training last Friday with APAAC.

Mr. Quist recapped current cases for Pinal County Attorney's Office auto theft cases.

- Advised of case with repeat offender, Teddy Aktin, that is a Task Force case involving numerous vehicles tied to him. Advised he took a plea for 12 to 15 years.

Ms. McHood recapped current cases for La Paz County Attorney's Office auto theft cases.

- Advised that she has one case that will be going to trail shortly. Defendant has 11 prior felony convictions with 3 auto theft charges. The vehicle he was currently tied to had drug paraphernalia in the vehicle and was from Indiana.

Ms. Sherman - advised they are currently working a case that was featured on the news that was taken out by k-9 officer that started in a stolen car and car jacked another car and fired a rifle out the window. She advised that his priors involved multiple theft of means.

X. **ARIZONA VEHICLE THEFT TASK FORCE REPORT, DISCUSSION AND POSSIBLE ACTION**

Captain Cecil advised of some public awareness they attended included a Car Show and the Maricopa VIN Etching event with 30 vehicles.

Captain Cecil reported on Law Enforcement activities 135 vehicles recovered total \$1,465,000 in value compared to 2017 where they only had 95. In January they had 146 vehicle recovered. He advised less Feb only due to short month. He advised they are still down a quad with 6 vacancies and helping out at the academy and with Maricopa County Attorney's Office.



Ms. Snider commended their work and asked if staffing levels will improve.

Captain Cecil advised it depends on what happens with the budget. He advised he is preparing their grant for next meeting. Their grant will anticipate bringing that squad back as well as expanding to other agencies want to be apart of the Task Force.

Captain Cecil advise there was no plan developed yet to transition the AATA to DPS and there is no update.

Ms. Snider asked for a time frame.

Director Zumbo advised July 1.

Director Zumbo advised Governor's planned Budget for the AATA is \$5.3 million dollars and advised there is not enough money for the programs. There is money planned to be swept for the academy. No discussion of where the \$2.9 million dollars in the fund balance will go and there will need to be a plan for where this money will go. He advised that the plan also eliminated 4 of the 5 positions and the staff will be without a job. He advised that the staff has been with the agency for 17 plus years. He advised that putting the agency anywhere else will put levels of approval process delaying processes.

Lt. Col. Lugo advised exception to statement was took that DPS would delay the work process of the AATA. He advised he does not think the board is responsible for this movement and that the board is supportive of the AATA. He advised that he does not want to see this become an Anti DPS movement. He advised that this Governor address and continues to do everything that the AATA is currently doing.

Director Zumbo apologized for any offense taken.

Lt. Col. Lugo advised that he is also throwing resources that are not dedicated to the task force that are not necessarily dedicated to them. He believes in their mission and work.

Mr. Butler asked for clarification that the employees of the AATA would be absorbed into another agency. Director Zumbo advised that he didn't know. There is no plan in place. He hasn't even been given a plan.

XI. **CALL TO THE PUBLIC**

Chairman Reed call to public. -

XII. **REPORTS ON CURRENT EVENTS, MATTERS OF BOARD PROCEDURE, REQUESTS AND ITEMS FOR FUTURE AGENDAS:**

Chairman Reed.

Mr. Brosious motioned to adjourn.

Ms. Snider 2nd vote.

Meeting adjourned at 11:02am.

Dated this 18<sup>th</sup> day of MAY, 2018.

Arizona Automobile Theft Authority

By: Matth Reed

Matt Reed, AATA Board Chairman