

**Minutes of a Special Meeting of the Board of Directors of the Clarkdale Fire District  
Meeting Held August 14, 2008**

A Special meeting of the Clarkdale Fire District Board of Directors was held on August 14, 2008 at 7:00 p.m. at the Clarkdale Fire District Station #21, 895 First South Street, Clarkdale, Arizona.

Board of Directors:

Jim Elmer, Chairman

Seth Murphy, Clerk

Fred Hayman, Boardmember

Staff:

Joe Moore, Fire Chief

Joyce Driscoll, Admin. Assistant

Brandon Nargessi, Captain

Matt Poe, Engineer

Others Present: Lee Daniels

**CALL TO ORDER.** The meeting was called to order at 7:05 p.m. by Chairman Elmer.

**ROLL CALL.** All members were present.

**CALL TO THE PUBLIC** – No public comment.

**MINUTES – Consideration of the minutes of the meetings held July 10 and July 17, 2008.**

Clerk Murphy moved to approve the minutes. Boardmember Hayman seconded. The motion passed unanimously.

**FINANCIAL REPORT – Discussion and consideration of the Monthly Financial Report.**

Chief Moore noted that the district is 8.33% into its budget year and that it is currently in its dry funding period. He reviewed the income and expenses. Clerk Murphy moved to approve the Financial Report. Boardmember Hayman seconded. The motion passed unanimously.

**INFORMATIONAL AND OTHER REPORTS**

**Chairperson's Report – A report from the Chairperson on current events.** Appreciates the good publicity received by the District.

**Fire Chief's Report - A report from the Chairperson on current events.** Chief Moore reported on the following:

- New brush truck purchase.
- Mountain Gate and other subdivisions in the process.
- Replacement of the pump on Engine 212. Discussion of using old pump as demo or if it had any value to someone interested in rebuilding it.
- A call to the post office regarding a white powder. The substance was found to be kiln wash.
- Snake calls.

- Arizona Public Service rate notice.
- Conflict of Interest. Forms needed from the members of the Board.
- Employee evaluation completed for Administrative Assistant Driscoll.
- Election update. Nine persons have filed to run for a Boardmember seat.
- Life Pak 12 Monitor – receiving one to use from the hospital.
- He is registered for college classes.
- Captain Volk has requested reimbursement of \$91,200 from the brush truck grant.
- He has had an initial discussion with a consultant to discuss the District's network needs.

**Shift Reports – Written monthly reports by personnel regarding day-to-day operations.**  
No discussion.

**Activity Reports – Written monthly reports regarding calls for service.** Chief Moore noted that there is a 9.6% increase in the monthly calls.

**Miscellaneous Reports and Correspondence – Letters, news articles & other items of interest.** No discussion.

**PERSONNEL POLICY CHANGES – Discussion and consideration of a resolution making changes to the Personnel Policies and Procedures Manual.** Chief Moore shared excerpts from the staff report to the Board:

*Vacation Hours:*

*At the June 19<sup>th</sup> meeting, the Board considered some changes to the Personnel Policies. This included revisions regarding vacation time and sick leave. This portion of the agenda item was tabled to the July meeting and it was decided to hold a special worksession on fire service pay, prior to making a decision. This worksession was held on July 17<sup>th</sup>.*

*Based on discussion at the previous meetings, we have drafted new wording to the Vacation policy for the Board's consideration. If adopted, vacation time would only be counted as hours worked up to a suppression employee's normal (regularly scheduled) work hours per FLSA. FLSA overtime hours are already figured into the personnel pay, therefore the budget will not be negatively affected by this change.*

*Confidentiality of Information:*

*Identity theft has become a problem of enormous proportions in the United States, and Arizona ranks #1 in the country for this crime. Entities face significant regulatory and liability risks related to identity theft because the behavior of companies in protecting information entrusted to them is perceived as a major cause of identity theft risks.*

*Donna Charles, a certified ID theft risk management specialist, has met with fire departments in the Verde Valley to provide sample Sensitive Information Policies for adoption, awareness training for employees, and of course, to offer ID theft products for employees to purchase.*

*After reviewing the information we have been provided, we are recommending changes to the District's current Confidentiality of Information Policy in the Personnel Policy. These changes mostly address procedures for securing sensitive information. Our full-time employees have received the applicable training and we are working towards providing the training to the Reserves.*

*Safe Driver Policy:*

*As part of the hiring process for the new reserves, we obtained driving records as part of the background check. Currently the Personnel Policy and Procedures Manual under Recruitment and Selection states that: "Additionally, the Fire District investigates driving records prior to employment and from time-to-time during employment."*

*It is recommended by our insurance company (VFIS) to review the driving records of personnel on an annual basis. Obviously driving apparatus is part of the job duties of suppression personnel, therefore it is important that the District hire and retain good drivers.*

*We feel that when records are obtained and how they are reviewed should be addressed better in policy than this one statement. We propose inserting a new "Safe Driver Policy" into the Personnel Policies and Procedures Manual. This gives the Fire Chief guidance on reviewing records, and puts employees on notice that violations on their driving record may result in discipline up to and including termination of employment.*

*Drug and Alcohol Testing:*

*There has been a recent Ninth Circuit decision which held that required pre-employment drug testing for a person being hired for a non-safety sensitive position violated the Fourth Amendment of the United States Constitution. Bill Whittington of Boyle Pecharich, Cline, Whittington & Stallings law firm advises that all public employers revisit their drug testing policies in light of this court decision.*

*Therefore, we are proposing changes to our Drug and Alcohol Testing policy contained in the Personnel Policy and Procedures Manual. We have made pre-employment testing only applicable to emergency response applicants. We have also stricken the provisions for annual testing and random testing. It was declared unlawful a few years ago to test employees for any other reason than if there is suspicion/cause. The Consequences of Confirmed Positive Test Results section often referred to "employees" when the provisions are actually applicable to employees, reserves and volunteers, "members". Therefore, changes have been made to correct this as well.*

Discussion included:

- The definitions of Class A and Class B driving violations were taken from information provided by our insurer, VFIS.
- Discussion that pre-employment drug testing may not be required for non-safety employees.

Boardmember Hayman moved to approve Resolution #2008-06 adopting changes to the Clarkdale Fire District Personnel Policies and Procedures Manual.

**ON-CALL FIREFIGHTER PENSION AND BENEFIT FUND – Discussion and consideration of allocating funds to the Clarkdale Fire District on-Call Firefighter Pension and Benefit Fund.**  
Chief Moore shared the following from the staff report:

*Arizona Revised Statutes (ARS) states that a portion of fire insurance premiums collected from property owners in the state are distributed to municipalities and fire districts for the payment of benefits (premium tax). In past years the entire “Clarkdale” allocation (previously distributed to the Town, now distributed to the District) was received in a lump sum check (usually about \$6,000 - \$7,000) and deposited into the On-Call Firefighter Pension and Benefit Fund (Reserve Pension Fund). This is a retirement fund for department volunteers/reserves. The department (previously the Town) has a board which governs this pension fund.*

*This year, to our surprise, we received a check for only \$599.42. Upon investigation, we discovered that the distribution has changed because we are now members of the Public Safety Personnel Retirement System (PSPRS). Most of the funds allocated to Clarkdale Fire now go to PSPRS. They received \$7,918.68. This amount is credited towards what we pay into PSPRS for our career firefighters retirement benefits. Every time we do payroll we submit funds to PSPRS. The employee pays a percentage and we, as the employer, pay a percentage. Now 1/26<sup>th</sup> of the \$7,918.68 credit is applied to the District portion of the payment and we remit the balance. So eventually, over the course of an entire year (26 payrolls), we will save \$7,918.68 which we had budgeted to pay.*

*The premium tax money allocated to the Reserve Pension Fund is distributed evenly into the retirement accounts of the Reserves which have worked a minimum number of hours for the District. This year (FY 07/08) there are four Reserves who have met this minimum. Obviously, leaving everything ‘as is’ they will split \$599.42. Imagine in the future if more reserves work the minimum number of hours and the ‘pot’ has to be split more ways. New Reserves who meet the minimum hours worked will accumulate very little by the time they are vested, especially with the costs of managing the fund and the current economic down-turn.*

*Larry Innes of The Innes and Associates, the Reserve Pension Fund Manager, has provided the information sheet “Volunteer Firefighter Premium Tax Allocation” included in your packet. He was invited to participate in a meeting held at the State level to discuss this issue. The committee agreed that the way the premium tax is allocated is inconsistent, however their recommendation is to leave the state law ‘as is’ and that the local officials of each municipality or district make the decision as how to use or re-allocate the funds.*

*We feel that the right thing to do is for the District to pay the \$7,918.68 in savings into the Reserve Pension Fund, in effect allocate the funds as they would have been if we were not in PSPRS. If we do not feel comfortable doing this in a lump sum, the investment firm will work with us to credit the Reserves accounts appropriately for 07-08 and we can make payments, or pay in the funds when we are out of our dry funding period.*

Discussion included:

- This is one of the few benefits the Reserves receive.

- This was discovered when the small check was received for the Reserves.
- The desire that these funds go back to the volunteer pension fund every year.
- Reserves must meet a minimum amount of service in order to receive funds into his pension fund.
- The desire to review the funding every year because the amount could vary greatly from year to year as well as the number of Reserves who have met the minimum every year.

Boardmember Hayman moved to authorize \$7,918.68 to be paid into the On-Call firefighter Pension and Benefit Fund and that this transfer be evaluated every year at budget time. Clerk Murphy seconded. The motion passed unanimously.

**FIRE CHIEF RESIDENCY – Discussion and consideration of approving Chief Moore’s residency as being outside of the fire district.** During the development and discussion of the Fire Chief’s contract, the subject of residency was not documented. The board was aware that Chief Moore did not live in District and does not have a desire to move into the Fire District. When the position of Fire Chief was offered this was acceptable to the District Board.

Board Clerk Murphy moved to approve Chief Joe Moore’s residency as being outside the District. Boardmember Hayman seconded. The motion passed unanimously.

**457 DEFERRED COMPENSATION PLAN FOR RESERVES – Discussion and consideration of a request made by the Board of Trustees of the Clarkdale Fire District On-Call Firefighter Alternate Pension and Benefit Fund to change the 457 Deferred Compensation Plan offered to Reserves.** Chief Moore explained that in October 11, 2007 the Board was asked to approve a request made by the Board of Trustees of the Clarkdale Fire District On-Call Firefighter Alternate Pension and Benefit Fund (Volunteer Pension Fund) to offer a 457 deferred compensation plan for its members through the fund. The Board approved a contract in order to make this possible.

Later it was discovered that the 457 funds contributed by the member go into the same pot of money the other retirement funds go into from the fire premium tax. When a payout occurs, the 457 money is taxed differently than the other retirement funds in the members account. This is confusing and makes the Volunteer Pension Board responsible for determining which funds are taxed and how they are deducted from the reserve checks and how they are taxed when paid out.

Administrative Assistant Joyce Driscoll (Volunteer Pension Board Secretary) contacted Nationwide about the possibility of the District offering the Reserves a 457 plan rather than going through the 457 plan set up through the Volunteer Pension Fund. She found that they will offer the very same plan as the full-time personnel have to the Reserves. By doing this, all of the burden is on Nationwide regarding payouts, etc. and the member has the ability to choose his/her own investment risk. The Board of Trustees would not have any involvement, and neither would the District other than taking the payroll deduction, which we are already set-up to do.

Chief Moore stated that on June 17<sup>th</sup> the Volunteer Pension Fund board met and approved a motion to not offer the 457 Plan through the retirement fund at this time since the District has the ability to offer a 457 Plan. It was recommended by Larry Innes of The Innes and Associates, the investment firm for the Volunteer Pension Fund, to ask the District Board of Directors to approve this decision of the Volunteer Pension Fund board.

Chairman Elmer stated that this change does not cost the district any money, that it actually saves the District money by saving Administrative Assistant Driscoll’s time. He stated that it is the Reserve’s money that goes into the 457 through a payroll deduction. With this change the end result would be the same, the Reserves would have the ability to contribute to a 457 plan. He stated that he sees no advantage in using the retirement fund’s 457 plan rather than Nationwide’s. He stated he feels Nationwide is reputable and using them is less complicated.

Board Clerk Murphy moved to approve the request made by the Board of Trustees of the Clarkdale Fire District On-Call Firefighter alternate Pension and Benefit Fund to not offer the 457 deferred compensation plan from Innes and Associates and to approve the offering of the District’s 457 plan with Nationwide. Boardmember Hayman seconded. The motion passed unanimously.

**FUTURE AGENDA ITEMS – A listing of items to be placed on a future agenda.** It was noted that annual transfers to the On-Call Volunteer Firefighter Alternate Pension and Benefit Fund should appear on an agenda during the formation of future budgets.

**ADJOURNMENT.** With no further business before the Board, the meeting adjourned at 8:12 p.m.

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Jim Elmer, Chairman

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Date

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Seth Murphy, Clerk

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Date