

ARIZONA CITY FIRE DISTRICT
REGULAR SESSION MINUTES

October 10, 2023

1. Call to Order

Board Chairman Dean Craun called the meeting to order at 6:00 P.M.

2. Pledge of Allegiance

Board Chairman Dean Craun led all in the Pledge of Allegiance.

3. Roll Call/Quorum

Board Chairman Dean Craun confirmed that (5) Board Members were present. A quorum was established with (5) members.

Board members present included Board Chairman Dean Craun, Board Clerk Allen Rogers, Board Members Randy Wittenburg, Dewayne Hill and Ken Davis.

AZCFD Fire Chief Jeffrey Heaton was also present.

AZCFD Attorney Denis Fitzgibbons was present.

4. Welcome to Guests

Over 50 citizens signed in for the meeting.

5. Fire Chief's Report

AZCFD Fire Chief Jeffrey Heaton reviewed the AZCFD activities for the month of September 2023. The report is attached and made part of these Minutes.

6. Staff Reports

AZCFD Fire Chief Jeffrey Heaton reviewed the EMS/Fire calls and response times for the month of September 2023.

After hearing both the Fire Chief's and Staff Reports, Board Clerk Allen Rogers made a motion to approve the Fire Chief's and Staff Reports; seconded by Board Member Dewayne Hill, motion passed unanimously.

7. Correspondence

Several thank you cards were received during the month for services given.

8. Consent Agenda (All items under the Consent Agenda may be approved under one motion unless one of the Governing Board Members pulls an item(s) for further discussion).

After discussion and consideration, Board Member Randy Wittenburg then made a motion to approve the Consent Agenda; seconded by Board Member Ken Davis, the

motion passed unanimously. The following items were approved with the consent agenda:

1. Approval of the written minutes from September 12, 2023
2. Approval of Financial Documents: 9/1/23 through 9/30/23
(Account Balances as of 9/30/2023)
3. General fund: **\$ 66,258.15**
4. Capital outlay fund, buildings: **\$ 881.85**
5. Capital outlay fund, communications: **\$ 199.06**
6. Capital outlay fund, fire hydrants: **\$ 56.77**
7. Capital outlay fund, apparatus & vehicles: **\$316.27**
8. Capital outlay fund, firefighting equipment: **\$ 189.22**

9. Call to the Public

Over 20 people spoke at this time.

10. Old Business.

- a. **Discussion and Possible Action re: Replacement for CPA Firm; Saunders (Board Chairman Dean Craun/ Fire Chief Jeffrey Heaton)**

Fire Chief Heaton gave the board an update on the search for a new CPA Firm. We are awaiting responses back from the CPA firms we reached out to.

11. New Business

- a. **Wells Fargo Amendment to Commercial Account Signature (Board Chairman Dean Craun).**

Fire Chief Jeffrey Heaton informed the Board that the Wells Fargo paperwork must be updated to reflect that new Board Member Ken Davis replaced Randy Johnson.

After discussion, Board Member Randy Wittenburg made a motion to replace Randy Johnson with new member Ken Davis; seconded by Board Member Dewayne Hill, the motion passed unanimously.

- b. **Community Service Events (Fire Chief Jeffrey Heaton)**

Fire Chief Jeffrey Heaton gave the Fire Board an update of all of the events that the Fire District currently has scheduled for the next 30 days. One of the highlighted events in the Halloween Trunk-O-Treat Celebration. We are expecting over 3000 children to attend.

- c. **Executive Session: Pursuant to A.R.S. Section 38-431.03(A)(3), the Arizona City Fire District Board may go into executive session to discuss the District's vacation accrual rate policy, Chief Heaton's vacation accrual rate, the financial liability to the District for vacation pay, and the professional development travel usage by Chief Heaton as provided by District Policy and the Fire Chief's contract.**

Board Chairman Dean Craun skipped this item as Fire Chief Jeffrey Heaton elected to have this discussion in public session.

- d. **Discussion regarding the District's vacation accrual rate policy, Chief Heaton's vacation accrual rate, the financial liability to the District for vacation pay, and the professional development travel usage by Chief Heaton as provided by District Policy and the Fire Chief's contract.**

Board Chairman Dean Craun read the following statement that he stated he prepared:

STATEMENT PREPARED BY BOARD CHAIRMAN DEAN CRAUN

Welcome everyone this Board wants to be as transparent as possible, as always, and as it should be.

This is not about the Chief and the Staff performance but the financial act of the Fire District.

1. COMMENTS/QUESTIONS:

a. We are here to discuss the accrual and use of vacation by the District. This Board has previously paid Chief Heaton 1120 hours of claimed back vacation time owed, 560 hours on December 21, 2022, and 560 hours on 7/28/23. This was total of approximately \$85,075.20 in vacation pay.

The \$85,000 doesn't, however, include the 43% on top of the contributions towards your retirement. This likely brings the total amount of payment, Vacation and Retirement to above \$120,000.00

When we made the last vacation payment in July, we told you at that time we wanted to make sure that the Board understood your vacation accrual and pay before any more payouts were made.

After those payments, your vacation bank is still significant, and this District is still faced with the possibility of a future payment. In attempting to track your vacation accrual, I had our District attorney request your vacation pay accrual as of the end of August.

You provided a document showing that your vacation bank as of 8/21/23 had 1346.49 hours.

That would be approximately \$102,279.38 in vacation pay, but this does not include your retirement payment of \$43,979.00 for an approximate total of \$146,258.00.

This is a significant potential debt of the District and I want the Board to make sure we all understand how it is being accrued and why.

In reviewing the information that you provided, I am unsure what vacation leave accrual rate you are using and why.

I have reviewed your previous Employment Contracts, and it appears that since you began your employment with the District, there was a Cap on your vacation accrual, similar to all other District employees. The cap was that you could not exceed more than two times your annual accrual rate. That Cap was seemingly removed in 2022. Based on this cap, it would seem that your vacation leave would have just begun growing past that cap in 2022.

I think it would be best if you provided the Board with the following:

- 1) how you have accrued your vacation pay,
- 2) at what rate it was accrued,
- 3) when it was accrued,
- 4) and show the vacation buybacks that have occurred.

I am requesting that you provide the Board with this information as to the current amount of vacation in your leave bank, how it was accrued over time and at what rate. When was the vacation cap of 2X annual vacation removed and by what Board action was it removed?

Chief would it be possible to provide the Board this information within 10 days?

b. Similarly, the accrual rate in your contract seemed to jump from 20+ year employee to 30+ year employee. Can you please provide an update when this accrual change, of a 20+ year employee occurred and was this done by a Board action and when the accrual of a 30+ year employee occurred and was this done by Board action?

c. The District Policies and Procedures also appear to have been modified to show a 30 plus year Fire Chief now. Can you please update the Board as to when this change was made?

d. The District currently contributes to a 451-retirement account for you. Unlike previous contracts, your September 13, 2022 contract provides that the District will contribute 43% of the employee's salary to a 457/451 account. Prior to that time, there was not a specific percentage amount in your Employment Contract. Can you please update the Board as to when this change was made?

Current Chief's salary is \$158,000.00 and 43 %, \$67,940.00 on top of the salary that is placed into the Chief's retirement account, that would bring the Chief's total years' salary to \$225,940.00.

e. In my experience, whenever we discuss your employment with the District, we discuss your salary and term. Typically, the Board has passed motions to increase your salary or extend your term. For example, in September 2022, this Board made a motion to increase your salary by COLA. However, as mentioned earlier, there were more changes made to your contract that do not appear to have been discussed or approved by the Board, and they are not reflected in the Board Minutes. Can you provide this Board with a timeline as to when changes were made to your contract, and whether these changes occurred in an open meeting of the Board?

f. When it comes to travel and spending, I am aware that you are permitted to travel for professional development and other work-related events. However, I am trying to determine what parameters there are when you schedule/book travel. For example, do you follow per diem limits set by the Internal Revenue Service or hotels limits? Should this Board establish a per diem policy?

g. I know we are a small District with little staff. When you travel on vacation, I know you get interrupted with work, how do you determine that a vacation day should not be used? Is it a phone call? One hour of work? 5 hours of work? Do you have a policy to follow?

h. There are charges on the credit card statements for food that are for areas in Pinal County when there do not seem to be work conventions or functions. What is the standard policy to follow for when the District will or will not pay for meals? Should the Board evaluate setting a policy?

i. I am aware that the District in this Budget recently approved \$40,000 for travel expenses for this fiscal year. If the Board were to request you to freeze all out-of-state travel until we have had time to further review our policies, get in place any policies that we need in place, does that significantly impact any currently scheduled trips or certifications that you hold? I just think it is important that this Board work through some of these issues and get the policies in place so we understand how we plan to move forward.

Chief Heaton, I know I have set forth a lot of questions here, but I believe the Board needs to receive this information so the Board can best decide how the Board wants to proceed. Determine what policies we need in place going forward to make sure the Board, the public and you have clear understandings of our expectations. With regard to the vacation pay issue, I believe the Board needs this information to understand your vacation pay, how it accrues and whether we need to modify any policies so that we manage this potential debt of the District.

During this same time Board Chairman Dean Craun was reading his prepared statement, he was writing all the figures he was reading on the white board behind him so the public could see the numbers.

Immediately following Board Chairman Craun's reading of his prepared statement, Board Clerk Allen Rogers commented to the entire Fire Board that Board Chairman Craun used the term "I" multiple times and "The Board" multiple times throughout his statement. Board Clerk Allen Rogers stated he knew nothing about the supposed issues Board Chairman Craun read. Board Clerk Allen Rogers additional stated "I have no idea of what Board Chairman Craun was talking about". Board Clerk Allen Rogers also said I don't appreciate Board Chairman Craun using "The Board" on issue that he knew nothing about.

Board Attorney Denis Fitzgibbons then stated that he had only worked with Board Chairman Dean Craun and Board Member Randy Wittenburg to produce the statement Board Chairman Dean Craun read aloud. Board Attorney Denis Fitzgibbons then stated that he believed it was the first time the remainder of the Fire Board had heard any of this information. Board Attorney Denis Fitzgibbons then stated we would have to schedule a special meeting to discuss if the Board wanted any action items coming out of Board Chairman's Craun statement.

Fire Chief Jeffrey Heaton then asked to address the Fire Board. Chairman Dean Craun said go ahead. Fire Chief Jeffrey Heaton stated that Board Chairman Craun had gone to the Eloy Fire District and received comparative salaries of the individuals that were going his job. Fire Board. Chairman Dean Craun has previously stated in many Arizona City Fire District Board meetings that this figure was \$1,700,000.00. With an additional \$1,900.000 for fringe, benefits and Public Safety Retirement System (PSPRS) payments. Fire Chief Jeffrey Heaton then stated that it has been documented in court depositions in the past and many other people in Fire District Board Meetings that the Fire Chief works over 100 hours every week to ensure service calls and work does not go unanswered. Fire Chief Jeffrey Heaton then stated he works virtual every weekend to maintain coverage and answer emergency calls. Fire Chief Jeffrey Heaton also stated he works virtually every holiday so members can be off with their families. Fire Chief Jeffrey Heaton stated he thanked his family for making the sacrifice to allow his to cover all of these hours. Fire Chief Jeffrey Heaton additional stated that he didn't appreciate having his character and integrity questions with false or misleading information by Board Chairman Dean Craun in public.

12. Next Meeting Dates

The next regular Business Meeting is scheduled for November 14, 2023 at 6:00 p.m.

13. Agenda Items for next meeting

Any items for the Agenda should be submitted to the Fire Chief by November 7, 2023.

Board Chairman Dean Craun asked for a special meeting on October 2,2023 to discuss the Fire Chiefs vacation and Human Resource Policy identifying vacation earned. Meeting will be scheduled.

14. Adjournment

At 7:14 PM, Board Member Randy Wittenburg made a motion to adjourn the meeting. A second was made by Board Member Dewayne Hill. Motion approved unanimously.

Date Approved

Board Clerk Allen Rogers