



# Superstition Fire & Medical District

565 North Idaho Road, Apache Junction, AZ 85119

Phone (480) 982-4440, Fax (480) 982-0183

www.sfmd.az.gov



## Governing Board Meeting Minutes September 17, 2014

PURSUANT TO A.R.S. §38.431.02, NOTICE IS HEREBY GIVEN TO THE GENERAL PUBLIC THAT THE SUPERSTITION FIRE AND MEDICAL DISTRICT GOVERNING BOARD OF DIRECTORS HELD A MEETING ON WEDNESDAY, SEPTEMBER 17, 2014. THE MEETING WAS HELD AT THE SUPERSTITION FIRE & MEDICAL DISTRICT'S ADMINISTRATION OFFICE, 565 N. IDAHO ROAD, APACHE JUNCTION, ARIZONA.

THIS MEETING WAS OPEN TO THE GENERAL PUBLIC AND BEGAN AT 5:31 P.M.

- A. Board Chairman Todd House called the meeting to order at 5:31 p.m.
- B. The Pledge of Allegiance was led by Chairman House.
- C. Roll Call showed Board Chairman Todd House, Board Clerk Linda Shank, Director Barbara Cobb, and Director Jeff Cross. Director Charlie Fox was absent.

Senior Leadership in attendance: Assistant Chief Dave Montgomery, Assistant Chief Mike Farber, Finance Manager Roger Wood, and Executive Assistant acting as Board Secretary Jasmin Jones were also present for the meeting.

~~Legal Counsel Donna Aversa was present via FaceTime. Fire Chief Paul Bourgeois was present via telephonically.~~

**Item 1:** *Review and approval of the August 2014 financial reports and bank reconciliations. (BOD #2014-09-01)*

**Motion** by Director Cross to approve the August 2014 financial reports and bank reconciliations. Seconded by Clerk Shank.

**Vote** 4 ayes, 0 nays. Director Fox absent. Motion passed.

**Item 2:** *Recognition of employee performance, achievements and special recognition for community members. (BOD #2014-09-02)*

Chairman House read the list of the following September Service Anniversaries:

Assistant Chief Mike Farber	29 Years
Assistant Chief Dave Montgomery	23 Years
Division Chief Richard Ochs	23 Years
Captain Mike Paul	22 Years
Battalion Chief Richard Mooney	16 Years
Firefighter Kevin Johnston	16 Years
Engineer Jose Sepulveda	16 Years
Firefighter Nat Erickson	16 Years
Engineer John Taylor	14 Years
Captain Craig Halver	12 Years
Engineer Aaron McDonald	12 Years
Engineer Jim Crowley	12 Years

Engineer Tanner Fox	9 Years
Engineer Rob McMinn	9 Years
Firefighter Ruben Briones	9 Years
Firefighter Randy Vande Krol	9 Years
Captain Mike Ament	8 Years
Firefighter Ken Simkins	8 Years
Firefighter Dustin Farber	8 Years
Firefighter Eric Ellsworth	8 Years

September Service Award (anniversary date in August):

Captain Jon Williamson (August)	10 Years
---------------------------------	----------

**Item 3:** *Call to the Public.* None

**Item 4:** *Consideration and possible approval of all consent agenda items listed below: (BOD #2014-09-03)*

- a. *Board Meeting Minutes from August 20, 2014*
- b. *Purchase of five (5) new Motorola APX7000E Dual-Band Portable Radios.*

**Motion** by Director Cobb to approve the consent agenda items for September 17, 2014. Seconded by Director Cross.

**Vote** 4 ayes, 0 nays. Director Fox absent. Motion passed.

**Item 5:** *Consideration and approval of grandfathering current DROP participants from the change in sick leave payout benefits (ratio and hourly payout rate) upon retirement – approved within the FY 14/15 budget. (BOD #2014-09-04)*

Finance Manager Roger Wood explained one of the benefit changes in the FY 14/15 budget was a change to sick leave payout benefits upon retirement. The district's approach to sick leave payout benefits prior to the change effective July 1, 2014, was 100% of accrued sick leave hours at retirement multiplied by the current hourly rate at the time of retirement.

Within the FY14/15 budget, the district's approach was changed to 50% (60% if the person's accrual is at the maximum 1,460 hour cap) of accrued sick leave hours at retirement multiplied by the average of the last five years hourly rate prior to retirement.

There are three 56-hour personnel who had entered into the PSPRS DROP program prior to this benefit change effective July 1, 2014. These three individuals will be financially impacted by this change. For example, at no fault of their own, there is insufficient time for any of these three individuals to reach the maximum sick leave hourly cap of 1,460 hours prior to their retirement dates, costing them 10% of their accrued sick leave hours.

Roger went on to explain Staff recommends grandfathering these three individuals for the sick leave payout benefits (ratio and hourly payout rate) to the levels in the effect prior to July 1, 2014 (100% payout ratio and hourly rate equal to their current hourly rate at retirement).

The estimated cost of this proposal is \$38,000 in FY 16/17 and \$13,000 in FY 19/20, since these estimated costs are 2-5 years in the future, Staff feels the district has ample time to plan and budget for this expense.

Director Cross provided the board with a handout that included members who have already have 20 + years into the PSPRS. He believes the board should consider adding these members to the grandfathered status. Ms. Aversa reminded the board that at this time they can only consider the item on the agenda, however, the board could direct staff to add the additional members to be grandfathered on a future agenda.

Additional comments from the board were as follows:

Director Cobb stated that the sick leave is a safety net not a benefit and it is being treated as a retirement account. She questioned what the barriers for people to take sick leave are and do they have to have a note from a physician? She continued on by saying that it would take a couple of years to make money available, but could employees use their sick time in a couple of years? Finance Manager Roger Wood answered by stating that Staff isn't trying to modify how people use their sick time. Staff was simply taking a step back and looking at the whole picture. The changes that were made this FY in a way penalized the three members who are currently in the DROP program.

Chairman House stated that Director Cross brought up a good point, however, because it is not currently on the agenda the board could not discuss the seven additional people who are over 20 years but have not entered the DROP program. He also suggested that the board vote on the current agenda item and direct staff to bring numbers and research to a future meeting.

Director Cobb stated that she did not want to continue with the discussion with the seven additional employees because anything can change at any time. The only thing you can count on in the future is change, at her current employer the benefits are changing and some people like the new ones and others don't.

---

Clerk Shank would like to take care of the three individuals that are currently enrolled in DROP and then base her decision on cost, once it is broken down. Chairman House agreed that it is a good idea to clean up the current DROP issue and bring forward the seven additional members at a future meeting. The board can then discuss the issue in an open forum and they will have numbers from accounting.

Chairman House made a note to Staff to please bring the consideration with numbers back to the Board at a future meeting. Director Cross will work with Staff with the items he would like brought forward.

**Motion** by Clerk Shank to approve the grandfathering of sick leave payout benefits for the three full time 56-hour employees who are currently enrolled in the PSPRS DROP program to the levels in effect prior to the July 1, 2014 change. Seconded by Director Cross.

**Vote** 4 ayes, 0 nays. Director Fox absent. Motion passed.

**Item 6:** *Discussion and possible approval of the First Amendment to the Deferred Compensation Administration Plan between SFMD and Nationwide Retirement Solutions. (BOD# 2014-09-05)*

Finance Manager Roger Wood began the discussion by stating at the April 8, 2014 board meeting, the board approved transitioning to Nationwide Retirement Solutions to become the district's Deferred Compensation 457 Fund provider. To further clarify and document the fees associated with the Deferred Compensation 457 funds, Nationwide Retirement's legal department has forwarded the enclosed First Amendment to the original agreement for consideration and approval by the board.

Section 3B documents the process by which Galloway Asset Management and Chuck Sklader, both serving as advisors to the plan's participants and board, shall receive compensation. In summary, Nationwide will assess an annual asset management charge of 0.15% on each participant's account balance. Nationwide will remit the proceeds from the asset management fee to the district, who will in turn will pay Galloway Asset Management and Chuck Sklader. While the district may pay the advisor on a quarterly or semi-annual basis, the district is acting solely as an intermediary and will not incur any costs in this process.

The annual asset management charge of 0.15% will be adjusted downward as the total assets under management grows.

Chairman House questioned if all of the membership was aware of these fees and they agreed to them. Roger stated that the 457 Committee did look over the agreements and the membership was aware of this new process.

Director Cobb questioned when the employer invoices would be available. Roger specified they will come out quarterly and the district will not incur any expense. The reason this is separate from the previous document is because Nationwide wanted to be specific on the fee structure, this is a legality.

**Motion** by Director Cobb to approve the First Amendment to the Deferred Compensation Administration Plan between SFMD and Nationwide Retirement Solutions. Seconded by Director Cross.

**Vote** 4 ayes, 0 nays. Director Fox absent. Motion passed.

**Item 7:** *Discussion and high level overview of the CMS grant process. (BOD# 2014-09-06)*

Battalion Chief Brett Broman introduced Tony LoGiudice from Mesa Fire & Medical Department to give a high level overview of the CMS grant process. Tony presented a PowerPoint presentation to the board with the following key points:

**Grant Partners:**

- Mountain Vista Medical Center
- CPR
- ATSU
- SFMD
- MFMD
- QCFD

**Grant Award Information:**

- Notified on July 8, 2014 the grant was approved by the federal government.
- Total Grant Award \$12,505,714 (approximately \$3.5 million going to SFMD) – No cost match.
- Three year grant – Period performance started on 9/1/2014.
- Grant pays for salaries / benefits for key personnel and related equipment.
- No further programmatic commitment required beyond final reporting.

**Program Goals:**

- Evaluate cost savings through pseudo billing practice
- Improve patient healthcare outcomes
- Improve healthcare system efficiencies
- Test sustainability
- Continue improving service delivery

### **Community Care Program:**

- Community Care Units operating 24/7
- Community Care Special (Behavioral) operating every day at peak-demand time.
- Nurse Triage in Communications Center
- Follow-up Care
- Immunizations
- Medical Service based home inspections
- Centralized Medical Direction

### **Cooperative Agreement:**

#### City of Mesa responsibilities

- Data collection / sharing
- Financial reporting
- Financial administration
- Programmatic reporting
- Programmatic milestones
- Operations
- Contract compliance
- Assigned a CMS Project Officer for weekly / monthly meetings
- Operationally working in coordination with our grant partners

Questions from the board were as follows:

Director Cobb questioned the Behavioral Health component, stating that she was told by her ED Director that the reason behavioral health patients land in the ER is because there aren't enough behavioral beds. Especially those people that are suicide risks – they have to have someone watch them at all times. She continued by asking how are we going to be protected from someone committing suicide while they are “on our watch” and where are we going to find those behavioral health beds?

Tony answered Ms. Cobb's question by stating that currently MFMD is running a pilot program, when paramedics run on behavioral health calls they are able to call a behavioral health facility – skipping the ER. This gets the patient in sooner because the facility takes them as a walk-in, not an inter-facility transfer. Firefighter/Paramedic Dave Pohlmann stated that he also works as an RN and while on shift at the hospital it is harder for the hospital to find behavioral health patients beds at a behavioral health facility. The behavioral health facility sees that the patient is already receiving medical care in the ER and they need to save beds for walk-in patients. Firefighter/Paramedic Pohlmann also stated that counselors will be utilized and will have low risk patients sign safety contracts for follow up services. Tony continued by stating that if a patient needs medical attention (if they have taken drugs, etc.) then they will be able to take their evaluation from the behavioral health specialist with them to the ER saving time and money once their medical need is met.

Chief Bourgeois reminded Ms. Cobb and the board that these are calls our district already runs on. Our paramedics respond to behavioral health calls every day, sometimes multiple times a day. Our new deployment model will save the patient and the medical system money, the patient will not lose any type of care.

Director Cobb also asked if we have gotten any more information about the delay in reimbursements for the expenses. She stated, “Apparently at the last meeting there were questions about how long it would take CMS to reimburse us for things that we have put

into for the program.” Tony stated that we should have more information on this topic in a couple of weeks, this goes before Mesa City Council on October 6<sup>th</sup>. Tony continued by saying that he has had conversations with CMS and feels confident that we can look at monthly reimbursements. We will be able to test the program with personnel after the October 6<sup>th</sup> meeting. He stated he would keep everyone informed as the information comes in. Director Cobb asked if we could get consistent expense reports on the program, Tony agreed.

Chairman House asked if there was going to be special 9-1-1 training for dispatch personnel. Tony explained that there will be special algorithms that dispatchers will follow. They did start the training in August and the algorithms have been followed. Once the dispatcher goes through their algorithms they will be able to decipher what is an emergency and what is a low level call. Dispatchers will be able to spend more time speaking to a low level caller. If it is an emergency, the call immediately gets dispatched as an emergency.

Clerk Shank asked if the RN's were already hired and working out of dispatch. Tony stated that we would be utilizing contractual companies for the RN, centralized physician, and billing aspects of the grant. Once the RN's are hired from the contractual company, they will sit next to a dispatcher.

Director Cross stated that the government gave us \$12.5 million for a reason – we anticipate saving the system upwards of \$40 million. Tony agreed with Director Cross and stated that a part of the grant process was having an actuary come in and look at the numbers to make sure the cost savings was a correct number.

Chief Bourgeois stated it was an honor from the government to receive this money, we received it because they believe in our program and trust what we are doing. We are establishing the system for the rest of the nation. He also thanked Mesa Fire and Medical employees for their time. Chairman House shared in the appreciation of MFMD coming to our board meeting.

**Item 8:** *Discussion and possible action for submitting the formal application for a Certificate of Necessity (CoN). (BOD# 2014-09-07)*

Firefighter/Paramedic Dave Pohlmann addressed the board and presented a PowerPoint regarding the CoN process, key topics were as follows:

**History**

- Rural Metro filed for Chapter 11 protection. The industry asked what would happen if Rural Metro could no longer provide services to our area. SFMD must have a CoN from Arizona Department of Health Services (AZDHS) to receive cost recovery authority for transportation services.
- Rural Metro's service struggled as overtime units frequently went out of service extending response times.
- June 2014 – Chief Bourgeois penned a letter to AZDHS to outline concerns about Rural Metro and their financial and service delivery issues.
- Northwest Fire District struggled with Rural Metro on similar issues and began talks to enter a public / private CoN partnership. Northwest Fire has initiated a CoN request with AZDHS, with the support of Rural Metro.
- Chief Bourgeois requested to meet with Rural Metro to ask for their support in applying for a CoN. Rural Metro has agreed to partner with SFMD supporting our own CoN which will increase service stability and sustainability.

## **SFMD/RM Cooperative Ambulance Response Concept**

- SFMD CoN Process – would generally be a lengthy and very expensive process. Approval is granted by AZDHS, applicants are normally required to make their case and defend any appeals through an administrative law process. Legal fees through the appeal process commonly reach in excess of \$1 million. In this proposal, RM will support a SFMD CoN application (they will not appeal) greatly streamlining the process.
- RM and subsidiary CoN holders will provide a letter of support to AZDHS for the SFMD's proposed 9-1-1 ALS ground-service application.
- The SFMD CoN would overlap CoN 86 and CoN 109 within our current boundaries.

## **Proposed System Design**

- SFMD's 9-1-1 ground ambulances will be the primary ALS transport provider with RM serving as our back-up provider during periods of high demand.
- RM 9-1-1 ground ambulances will be the primary BLS transport provider with SFMD servicing as the back-up provider during periods of high demand.
- In the event RM BLS ambulance is required to respond for an ALS patient, SFMD will provide paramedics and ALS equipment to RM BLS ambulances as needed.
- Under this model, SFMD will seek cost recovery at the currently approved AZDHS rates.
- RM will continue to provide inter-facility transports within the parameters of their current CoN.
- SFMD ALS ground service CoN and RM BLS contract will be coterminous with SFMD boundaries.
- The system will realize the addition of two SFMD transport capable certificated ambulances and one peak-demand unit.
- Opportunity for significant cost recovery and flexibility to meet rising demand.

## **Service Enhancements**

- Sustainability and less vulnerability to our community by implementing a fire district based emergency transportation system.
- Improved response times to a high-acuity medical calls through a dynamic staffing / deployment model = higher survivability rates.
- A dynamic staffing model allows for less stress, less fatigue, higher morale and lower scene times. Proposed minimum staffing – 2 Certified ALS Rescues upon CoN approval, 1 peak demand ALS unit, 3 ALS Engines, 2 ALS Ladder Trucks, 1 or more RM / SWA BLS units to be determined through financial demand analysis.
- Ability to leverage RM's national purchasing power.
- Improved system oversight that is focused on clinical excellence and patient outcomes.

## **Goals of a Reciprocal Long Term Agreement**

- Establishment of a long-term cooperative relationship focused on enhancing clinical excellence, improving patient outcomes, and increased financial sustainability.
- Improved continuity of care
- Alignment of the district's emergency transportation system with the inherent interests of the community.

- Reduction of service duplication and the realignment of service delivery better positions the cooperative agencies to appropriately respond to a rapidly changing healthcare environment.
- Provides for a model public / private service delivery collaboration that is scalable based on the needs of the region and State of Arizona.

### **Bottom Line**

- SFMD has the infrastructure in place to do this work.
- ALS transports are in-line with our highest priority – life safety.
- Getting a CoN allows us to set up the needed resources to recover costs of transporting.
- A SFMD / RM partnership provides a higher level of service and allows for a stable and sustainable system.

Chief Bourgeois stated as long as we deal with a for profit provider, their main goal is to make money not to provide the best care to our citizens. There have been several states where Rural Metro has closed shop and the citizens are left with no ambulance provider. We are at a point with Rural Metro where they are willing to cooperate and will not attest our CoN application with AZDHS. A natural question might be, why would RM give the ALS transports up if there's not enough money providing this service? Chief Bourgeois stated that he has had many discussions with RM about ALS transports, they have finally said that there is money in ALS, just not enough money for a for profit company such as RM in ALS transports. As a local government if we simply break even then we are doing a great benefit for our community. The modeling of the collection rates are extremely agreeable for cost recovery with a little bit of a margin to re-invest back into the medic program. This opportunity has never been here before and may never be here gain. We have an opportunity now and Staff recommends that we act on it and pursue this endeavor as soon as it is financially and professionally possible to put a system on the street.

The board briefly discussed the possibility of another company contesting our application process. Firefighter/Paramedic Pohlmann stated that a company cannot contest our application unless they already have a CoN in our area. The only company currently holding a CoN in Pinal County is Rural Metro, they are showing their support and have agreed to not contest our application. This is a narrow window of opportunity for us to submit our application with Rural Metro's support.

Clerk Shank stated this has been a dream, she remembers working on the CoN process years ago and Rural Metro was not on our side at that time making it impossible for our district to obtain a CoN. To have Rural Metr cooperating with us is unheard of, we need to take this opportunity.

Director Cross agreed stating this is a unique opportunity and that our district needs to act on this while we can. The continuity of care between any fire department transferring a patient to another agency, is not good for the patient.

Chairman House asked what the cost of submitting an application would be. Battalion Chief Brett Broman stated that there is a \$100 application fee paid to AZDHS for a CoN application. He also inquired if the plan was to hire civilian employees to run the ambulances. Firefighter/Paramedic Pohlmann stated that is one scenario, to have civilians run on the ambulances, this would be the least expensive. However, those numbers and decisions would have to be made when we are further in the process. Chairman House asked Finance Manager Roger Wood if he would be able to handle both civilian and suppression personnel easily on the financial side. Roger reminded

Chairman House that we currently have civilians working for our district and it is his intent to create a new division so the board could see exactly what the costs are, he stated the CMS grant would also be a separate division – the board would then be able to see the division’s performance monthly on financial statements.

Clerk Shank asked what would happen to the CoN’s in Pinal County if Rural-Metro left, would SFMD acquire those CoN’s? Attorney Donna Aversa stated it really would depend on how our CoN application was written, that could potentially be a component that we add into our application.

**Motion** by Director Cross to formally submit an application for a Certificate of Necessity through Arizona Department of Health Services. Seconded by Clerk Shank.

**Vote** 4 ayes, 0 nays. Director Fox absent. Motion passed.

**Item 9:** *Discussion and possible action concerning the proposed fire chief evaluation template and procedure. (BOD# 2014-09-08)*

Chief Bourgeois introduced the agenda item stating that changes were made to the fire chief evaluation template based on feedback from the last evaluation period. The process has been streamlined for the board and the template can be used for years to come. The board should expect high level performance from the fire chief. However, this is the board’s process and we can make any changes necessary based on what the board would like.

Ms. Donna Aversa stated that during the 2013 evaluation process the board requested to simplify the fire chief evaluation process. Ms. Aversa also explained included in the board packet was a proposed Fire Chief Evaluation template, and a Fire Chief Evaluation Process Policy for adoption. This evening staff is asking the board for approval of the template, the timeline mentioned in the board packet, and the policy.

The board discussed the various items that were changed on the evaluation based on feedback from last year’s evaluation period. It was decided that the letter grading system would be utilized. It was also decided that the 360 evaluations that would be distributed to the following external partners including; Bryant Powell – Assistant City Manager, Tom Kelly – Policy Chief, and Chad Wilson – Superintendent of AJUSD. The internal 360 evaluations distributed would be the Senior Leadership Team. The fire chief will present the 2013/2014 Operational Plan at the October board meeting; this will take place of the “*Areas of Significant Achievement*” on the evaluation template.

The Timeline that was discussed and unanimously agreed upon is as follows:

**September Meeting**

- Review Fire Chief Evaluation Template and approve a final draft.
- Review and approve the Fire Chief Evaluation Process Policy.

**October Meeting**

- Chief Bourgeois will present the annual report and accomplishments from the 2013/2014 Operational Plan.
- Chief Bourgeois will schedule one-on-one meetings with the BOD to discuss and clarify accomplishments.

**November Meeting**

- The BOD will convene to achieve consensus related to the four key results areas during executive session pursuant to A.R.S. §38-431.01(A)(1).
- The BOD will deliver the results to the fire chief

## **December Meeting**

➤ The fire chief will have the opportunity to respond and comment.

**Motion** by Clerk Shank to formally adopt the Fire Chief Evaluation Process Policy and to direct staff to distribute the finalized template of the Fire Chief Evaluation to Board of Directors and approve purposed timeline for staff to move forward with the fire chief evaluation process. Seconded by Director Cross.

**Vote** 4 ayes, 0 nays. Director Fox absent. Motion passed.

**Item 10:** *Chief's Report (BOD# 2014-09-09)*

- Collaborative training – EOC Exercise with the City and the County.
- FDSOA Conference in Arizona

**Item 11:** *Announcements (BOD# 2014-09-n/a)*

Director Cross stated he went to the ECO Exercise and stated it went amazing, thanks to Chief Bourgeois and all other SFMD members who participated. He stated that he did give feedback and comments to the City Manager.

Chairman House stated that Pinal County declared a state of emergency due to the flooding that may occur in the next few days. He also stated that he also went and participated to the EOC training session and was proud of the performance of the SFMD.

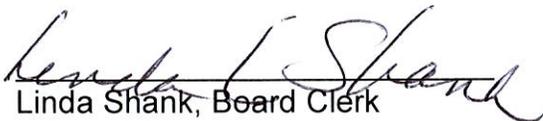
**Item 12:** *Adjourn (BOD# 2014-09-10)*

**Motion** by Director Cross at 8:42 p.m. to adjourn the meeting. Seconded by Clerk Shank.

**Vote** 4 ayes, 0 nays. Director Fox absent. Motion passed.

---

## **Governing Board Approval:**

  
Linda Shank, Board Clerk

Jasmin Jones