



Superstition Fire & Medical District

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JPA/Merger/Consolidation Committee Minutes August 4, 2017

PURSUANT TO A.R.S. §38.431.02, NOTICE IS HEREBY GIVEN TO THE GENERAL PUBLIC THAT THE SUPERSTITION FIRE & MEDICAL DISTRICT JPA/MERGER/CONSOLIDATION COMMITTEE HELD A MEETING ON FRIDAY, AUGUST 4, 2017. 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 2:00 P.M.

A. Call to Order

Chairman House called the meeting to order at 2:04 P.M.

B. Pledge of Allegiance

No Pledge of Allegiance.

C. Roll Call

Present: Chairman Todd House, Jason Moeller, John Walka, Roger Wood, Mike Farber.

Absent: Dr. Gary Smith

1. Defining the legal terms and stipulations for (a) Joint Powers Authority, (b) Merger, (c) Consolidation, (d) Joint Purchasing Authority. (COM #2017-08-01)

Farber started discussion with an explanation about the differences between a Joint Powers Authority and a Joint Purchasing Agreement is. For the purpose of the meeting "JPA" was to mean Joint Powers Authority. Walka explained what a Joint Powers Authority is and passed out documents explaining the differences between a JPA and a Merger/Consolidation. Farber described the differences in how a JPA is formed and that a JPA can be formed between a district and a municipality as opposed to a Consolidation/Merger which can only be formed between districts. Farber also discussed the pros and cons of a JPA versus a Consolidations/Mergers and the requisite taxing and revenue streams of each system. Walka explained how the governing board for a JPA is set up. Wood expressed concern regarding how the property of the district would be distributed in the event of a JPA and how the tax payers would react regarding giving away SFMD assets.

Further discussions were on possible advantages of a Joint Purchasing agreements with Mesa and Central Yavapai. Also discussed was the potential advantages of getting all of the auto aid cities together for one large Joint Purchasing Agreement for the economies of scale financial benefit.

2. Discussion and update on the meeting with the Arizona Fire & Medical Authority. (COM #2017-08-02)

Farber updated the Committee on the meeting he had with Chief Biscoe of the Arizona Fire & Medical Authority (AFMA). Chief Farber discussed his 4.5 hours tour with AFMA and what opportunities they could provide. Chief Farber advised he had shared the SFMD budget and provided information such as the District's PSPRS rate, unfunded liability to PSPRS, salaries (without social security numbers or names of

employees), number of employees, ranks, promotion dates, hire dates, insurance information, benefit information, and SFMD debts. This information was to be utilized for a preliminary financial analysis to explore if there is a potential for a JPA that would be mutually beneficial for AFMA and SFMD before moving forward for further discussion.

Farber discussed some of the potential problem issues with AFMA that includes AFMA utilizing the Tyler accounting software and the SFMD utilizing CYMA for accounting. AFMA is dispatched by Phoenix Fire Dispatch system and SFMD is on Mesa Regional Dispatch Center. Other issues include the large geographical distance between the two agencies. Farber discussed some of the economies to scale concerns which would include the Workers Comp insurance which would be a severe increase in cost for SFMD. For instance, AFMA has a Workers Comp annual payment of \$375,000 compared to SFMD's \$136,900. In short, the combining of services is not necessarily favorable for SFMD. Lastly, the combining of billing services is not favorable for SFMD either. SFMD utilizes Intermedix who charges 5.1% of the revenue collected for their services as opposed to Michael Sherry who charges AFMA approximately 9%. In addition, SFMD collects on 43% of their gross billable invoices, which is far superior to the collection rate of AFMA. Farber also discussed his conversation with Chief Biscoe and his concern that the numbers do not look favorable and expressed concern that SFMD is at its tax rate cap so there is no availability for additional revenue to cover the apparent additional cost created by the JPA to make this attainable.

Farber stated it appears that AFMA is trying to sweeten the pot in order to attract SFMD. Wood discussed the potential of AFMA being the only chief and dictating how SFMD operates and functions / staffs. Farber also advised that he made it clear to Chief Biscoe that this is a 6 months exploratory committee tasked with gathering information and fact finding to report back to the Board of Directors. Farber expressed concerns about the ability of AFMA to accomplish a JPA with SFMD. However there may be some things that we could do together. House expressed the possibility of a Joint Purchasing Agreement with AFMA. Wood expressed concerns about how fast AFMA moved with acquiring Sun Lakes and potential issues with the District current Section 218 agreement that governs which of SFMD's employees are covered by Social Security. He cautioned of further issues we may not be aware of. Wood also brought up the possibility of partnering with Pinal County partners. Some of discussions about annexation of State land, Queen Creek, Golder Ranch, Florence and other possibilities.

3. Discussion and update on meeting with Queen Creek Fire Chief Ron Knight. (COM #2017-08-03)

Farber discussed his lunch meeting with Chief Ron Knight of the Queen Creek Fire Department to discuss any joint purchasing possibilities, and the possibility of SFMD providing maintenance service for Queen Creek Fire Department's fleet. Chief Knight stated his older fleet will be going to Gilbert and the new fleet will be serviced by Mesa Fire Medical Department. Farber shared that there was no interest by Chief Knight to enter into an agreement with their fleet and no interests in a JPA at this time.

4. Discussion and possible direction on responsibilities of individual members of the JPA/Merger/Consolidation Committee. (COM #2017-08-04)

Farber stated he wanted to divide up the responsibilities for evaluating potential JPA's. It was discussed to have a future trip to AFMA to explore their facilities and explore the feasibility of a potential JPA if the numbers were favorable to both agencies. Also discussed was the need to travel to Central Yavapai and talk with Chief Scott Freitag on Mergers and Joint Purchasing Agreements. There was also a discussion about checking with Orange County and looking into their JPA and how it was formed. There will be more discussion on this item once we set up some dates and times to look at other JPA's and consolidation/mergers. Farber stated Walka would talk to labor people, House and Moeller would talk with board members and elected officials, and Wood could talk with the financial the financial people.

Farber would like to have obtain Chief Jack Snooks' book for the Committee members to better understand JPA's since Chief Snook was the original creator of the fire service JPA.

5. New Business. (COM #2017-08-05)

No new business.

6. Roundtable. (COM #2017-08-06)

Mike Farber:

- Stated he had met with Mesa Fire Chief Mary Cameli and will be exploring any IGA possibilities with Mesa.
- Talked about the Billing Agreement for services provided to RMFD and being able to be reimbursed. Will be drafted and presented at September Board of Directors if we can complete the legal paper work.
- Mesa possibility of sharing cost for fleet services or utilizing Mesa's warehousing for uniforms, turnouts, equipment, hose and any items we can purchase together for economy of scale savings.

Jason Moeller

- Need to do our due diligence when we get the numbers from Biscoe.
- Also think we need to keep our eye on San Tan and maybe explore Florence.
- Would like to go on any trip, "Just give him a heads up" and he will attend every meeting he can or site visit.

Todd House

- Wanted a list of items that were not compatible for SFMD for AFMA

Roger Wood

- Provided an update about the new legacy rate for the Tier three employees for PSPRS. House asked that this information be provided to the Governing Board at the August 16 Board Meeting.
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7. Adjourn. (COM #2017-08-07)

Motion by Farber at 4:02 PM to adjourn the meeting. **Seconded** by Wood.

Vote 5 ayes, 0 nays. **MOTION PASSED.**

Committee Approval:



Todd House, Committee Chair