



**Governing Board Work Session Meeting Minutes
June 27, 2016**

PURSUANT TO A.R.S. §38.431.02, NOTICE IS HEREBY GIVEN TO THE GENERAL PUBLIC THAT THE SUPERSTITION FIRE & MEDICAL DISTRICT GOVERNING BOARD OF DIRECTORS HELD A MEETING ON MONDAY, JUNE 27, 2016. 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 4:04 P.M.

- A. Chairman Cross called the meeting to order at 4:04 p.m.
- B. The Pledge of Allegiance was led by Director Fox.
- C. Roll Call showed Chairman Jeff Cross, Clerk Gene Gehrt, Director Todd House, Director Charlie Fox, and Director Jason Moeller as present.

Senior Leadership in attendance: Fire Chief Paul Bourgeois, Assistant Chief Jerome Schirmer, Assistant Chief Mike Farber, Acting Assistant Chief Brett Broman, Assistant Chief Dave Montgomery, and Finance Director Roger Wood were present.

Executive Assistant acting as Board Secretary Jasmin Jones was also present at the meeting. Legal Counsel Donna Aversa was not in attendance.

Item 1: *Discussion, presentation(s), and possible action regarding future funding alternatives.
(BOD #2016-06-12)*

Fire Chief Paul Bourgeois led the discussion regarding future funding alternatives, he started the discussion stating that the restrictions placed on fire districts with Prop 117 initiated the legislature to come up with a plan to help relieve fire districts that have fiscal challenges. It is the hope in the next 5 years legislature will come up with solutions for the fire district financial crisis. He stated that the Senior Leadership Team came up with pro's and con's for both a bond or an override election. Key points discussed in the presentation were as follows:

Tax Rate Override

- Requires voter approval and must be placed on the November ballot in either 2016 or 2017
- July 26th deadline for ballot placement is fast approaching
- Applicable for only 5 years, after which the tax rate returns to \$3.25
- How would these additional funds be used
- Potential funding for Capital Reserve of approximately \$4.8 million
- What effort is needed to obtain voter approval
- Who will be in charge of this effort

Capital Bond Extension:

- Requires voter approval
- Elaborate, lengthy and potentially costly procedure(s) required for placement of bond
 - Bond underwriter firm
 - Committees (internal and external) needed to define the use of the bond proceeds
 - Up to 18 months of preparation effort before bond can be placed on the ballot

- Refinancing of current bond at lower interest rate would save District interest expense on current bond
- Impact of placing new bond now in light of District efforts with the TMMS campus
- A Bond could bring up to approximately \$20 million
- After payoff of the current Bond, there would be approximately \$14 million available
- Where to get the funds to go forward with a bond
- What effort is needed to obtain voter approval
- Who would be in charge of this effort

Director House stated that his opinion is to go forward with the override election as soon as possible, that it is the best option and fire districts only have this November and next November to do so. He stated that the educational piece of the override and transparency would be key.

Chairman Cross stated that going out for a bond is a lengthy process, with the SFMD still in negotiations with AJUSD for TMMS, it wouldn't be prudent to enter into a bond without knowing what will happen with TMMS. He also stated that he likes the 5 year cap on the override for taxpayer's and that our District would be putting the money into the 200 Fund for capital items. He also appreciates that because we are holding a board election this November, if we add an additional item to the ballot, it wouldn't cost anything in addition and the funds have already been budgeted for.

Director Fox stated that he appreciates that the override money would go into the capital replacement fund, which would replace large ticket items, such as fire trucks, etc. This will help with our ISO rating, response times, survivability rate, and the quality of our equipment. Essentially if the ISO rating is going to stay the same or go down, it will save our taxpayer's money on their home owner's insurance.

Clerk Gehrt stated that he does agree and going out for the override this year would be prudent. He stated that the educational piece of the override would be priority number one, our voter's will appreciate knowing exactly what the money would be used for.

Director Moeller agreed with all the board members and stated the most important thing is to be transparent with our citizen as to where the money will go.

The Senior Leadership Team fielded questions from the Board regarding the specifics about an override election and the timeline. Chief Bourgeois assured the Board that we would have a robust educational campaign, making sure to have as many face to face meetings with our citizens educating them regarding our capital replacement plan and the financial restrictions fire districts are under because of Prop 117. He also stated that we would do extensive research on where our voter base is and will be able to understand and focus our efforts our citizen's questions, educating them to the best of our ability.

The Board was all in agreement that they would like to be as transparent as possible to our citizens and that if we were to hold an override election, the money would be set aside for capital replacement items, so at the end of the 5 years our District would not be dependent on the additional funds. They also agreed educating our citizens is the most important aspect of the override election and that transparency is also key.

The Board directed staff to gather additional information regarding an override election and to schedule a Work Session for July 6, 2016 at 4:00 PM.

Item 2: *Call to Public (BOD# 2016-06-n/a)*

N/A

Item 3: *Adjourn (BOD# 2016-06-13)*

Motion by Director House at 4:44 p.m. to adjourn the meeting. Seconded by Chairman Cross.

Vote 5 ayes, 0 nays. Motion passed.

Governing Board Approval:



Gene Gehrt, Board Clerk

Jasmin Jones