

VERSION 1.0

VERSION 2.0

Updated 5/16/17



# BOARD OF DIRECTORS MEETING

MAY 17, 2017

## SUPERSTITION FIRE & MEDICAL DISTRICT BOARD

JEFF CROSS, BOARD CHAIRMAN

GENE GEHRT, BOARD CLERK

TODD HOUSE, BOARD DIRECTOR

JASON MOELLER, BOARD DIRECTOR

LARRY STRAND, BOARD DIRECTOR



# Superstition Fire & Medical District

## Board of Directors Meeting Agenda

May 17, 2017

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### Mission Statement

Preserve Life ~ Protect Property ~ Add Value to *OUR* Community

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#### **PURSUANT TO A.R.S. §38.431.02**

Notice is hereby given to the general public that the Superstition Fire & Medical District Governing Board will hold a meeting on **Wednesday, May 17, 2017**. The meeting will be held at the Superstition Fire & Medical District's Administrative Office, located at 565 N. Idaho Road, Apache Junction, Arizona. The meeting will be open to the public and will begin at 5:30 p.m. local time.

- A. Call to Order
- B. Pledge of Allegiance
- C. Roll Call

The following agenda items are scheduled for discussion at the board meeting. The Governing Board may or may not decide to take action on any or all items. The order of the agenda items may or may not be taken in the order listed.

- 1. Review and approval of the April 2017 financial reports and bank reconciliations. (BOD #2017-05-04)**
- 2. Recognition of employee performance, achievements, and special recognition for community members. (BOD #2017-05-05)**
- 3. Call to the Public. (BOD #2017-05-n/a)**

A.R.S. §38-431.01(H) A public body may make an open call to the public during a public meeting, subject to reasonable time, place, and manner restrictions, to all individuals to address the public body on any issue within the jurisdiction of the public body. At the conclusion of an open call to the public, individual members of the public body may respond to criticism made by those who have addressed the public body, may ask staff to review a matter, or may ask that a matter be put on a future agenda. However, members of the public body shall not discuss or take legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action.
- 4. Consideration and possible approval of all consent agenda items listed below (BOD #2017-05-06):**
  - A. Board Meeting Minutes from April 19, 2017
  - B. Board Work Session Executive Session Meeting Minutes from May 1, 2017
  - C. Board Work Session Meeting Minutes from May 1, 2017
  - D. Town of Florence IGA Renewal
  - E. Medical Insurance Provider Change (UHC – UFHCT)
  - F. Principal Financial Group (Dental Insurance) Addendum
  - G. Henry & Horne, LLP Engagement Letter
- 5. Discussion, presentation, and possible action regarding the SFMD Memorandum of Understanding. (BOD #2017-05-07)**
- 6. Discussion regarding the development of the Fiscal Year 2017/2018 Revenue and Expenditure Budget. (BOD #2017-05-08)**

**7. Discussion and update regarding any information pertaining to PSPRS or the PSPRS SFMD Board. (BOD #2017-05-09)**

**8. Senior Leadership Team / Labor Reports. (BOD #2017-05-10)**

- Management Services
- Emergency Services
- Administrative Services
- Community & Financial Services
- Superstition Firefighters

**9. Announcements (BOD #2017-05-n/a)**

**10. Adjourn (BOD #2017-05-11)**

NOTICE: The governing board may go into executive session for the purpose of obtaining legal advice from the fire district's attorney(s) on any of the above agenda items pursuant to A.R.S. 38-431.03(A)(3).

One or more members of the governing board may attend the meeting telephonically.

Governing Board meeting agenda dated and posted (at least 24 hours before the scheduled meeting date and time):

Original Posted on May 14, 2017

At: 1800 Hours

By: Jasmin Jones

The Superstition Fire & Medical District (SFMD) Administrative Office Board Meeting Room is accessible to the handicapped. In compliance with the American with Disabilities Act (ADA), those with special needs, such as large-type face print or other reasonable accommodations may request those through the SFMD Administration Office (480-982-4440) at least twenty-four hours before the board meeting.

## **Governing Board Meeting – May 17, 2017**

### **Agenda Item: 1**

**BOD#: 2017-05-04**

#### **Agenda Item Title:**

Review and approval of the April 2017 financial reports and bank reconciliations.

#### **Submitted By:**

Fire Chief Paul Bourgeois

Finance Director Roger Wood

#### **Background/Discussion:**

The district's accounting department staff prepares the monthly financial reports. The district's annual budget, which is adopted by the board each June for the following fiscal year (July 1 – June 30), is formatted to mirror the monthly financial statements. The financial reports provide the board with a monthly recap of expenditures and revenues, along with year-to-date account balance information.

In compliance with A.R.S. §48-807(O), the following reports have been added to the monthly financial statements packet:

1. **Cash Flow – All Governmental Funds.**

The Cash Flow report consists of the combined cash balances of all District Funds. These balances include the General (100), Transport Services (150), Capital Projects (200), Bond Proceeds (300), Special Revenue (400), Debt Principal (500), and Debt Interest (600) Funds. The Cash Flow report is updated monthly with the actual revenues deposited into and actual expenditures disbursed from the district's cash accounts. It is important to note the revenues and expenditures are reported on a Cash Basis. This report is generated to demonstrate that the fire district maintains sufficient cash available to satisfy the projected expenditures budgeted over the course of the fiscal year.

2. **Fund Account Bank Reconciliations.**

The reconciliation of each of the district's Fund Cash Accounts (General (100), Transport Services (150), Capital Projects (200), Bond Proceeds (300), Special Revenue (400), Debt Principal (500), and Debt Interest (600) Funds) between the Pinal County Treasurer's monthly bank statement and the District's Fund balance sheet report is provided. To signify board approval of the monthly financial statements and bank reconciliations, the Board Chairman is requested to sign the attached Letter of Acceptance which will be kept on file at the district.

#### **Financial Impact(s)/Budget Line Item:**

N/A

#### **Enclosure(s):**

Letter of Acceptance of the Fire District's Financial Statements and Bank Reconciliations.

\*Financials provided under separate cover

#### **Recommended Motion:**

*"Motion to approve the April 2017 financial reports and bank reconciliations."*



**Go To Item 2**

**Go to Agenda**

**Superstition Fire & Medical District**  
**Governing Board Acceptance of Fire District's**  
**Financial Statements and Bank Reconciliations**

Pursuant to A.R.S. §48-807, by the signature(s) below, the Governing Board of the Superstition Fire & Medical District attests to the review and approval of the following financial report(s) of the fire district for the month of **April 2017**:

1. Financial Statement
2. Bank Reconciliations
  - a. General (100) Fund
  - b. Transport Services (150) Fund
  - c. Capital Projects (200) Fund
  - d. Bond Proceeds (300) Fund
  - e. Special Projects (400) Fund
  - f. Debt Principle (500) Fund
  - g. Debt Interest (600) Fund

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Jeff Cross, Board Chairman

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Date



April 2017

## **Governing Board Meeting – May 17, 2017**

### **Agenda Item: 2**

**BOD#: 2017-05-05**

#### **Agenda Item Title:**

Recognition of employee performance, achievements, and special recognition for community members.

#### **Submitted By:**

Fire Chief Paul Bourgeois

Assistant Chief Brett Broman

#### **Background/Discussion:**

This is a recurring monthly item to provide the board with information concerning superior employee performance, achievements, and special recognition for community members.

#### **May Service Awards**

<b>15 Years of Service</b>
Firefighter <b>Paul Garcia</b>
Fire Engineer <b>Rob VandeKrol</b>
Firefighter / Paramedic <b>Stephan Wagner</b>

#### **May Service Anniversaries:**

<b>4 Years of Service</b>
Finance Director <b>Roger Wood</b>



**Go to Item 3**

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**Governing Board Meeting – May 17, 2017**

**Agenda Item: 3**

**BOD#: 2017-05-n/a**

**Agenda Item Title:**

Call to the Public

**A.R.S. §38-431.01(H):**

*A public body may make an open call to the public during a public meeting, subject to reasonable time, place and manner restrictions, to allow individuals to address the public body on any issue within the jurisdiction of the public body.*

*At the conclusion of an open call to the public, individual members of the public body may respond to criticism made by those who have addressed the public body, may ask staff to review a matter or may ask that a matter be put on a future agenda.*

*However, members of the public body shall not discuss or take legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action.*

**Background / Discussion:**

Call to the Public is provided so citizens may address the public body (Governing Board) with matters concerning the fire district. Arizona public meeting law provides that the public body may discuss, consider, or decide only matters listed on the agenda and other matters related thereto. Since the public body will generally not know what specific matters may be raised at call to the public, they will be unable to act until the matter is placed on a subsequent meeting agenda (at the board's discretion). The board may also direct staff to follow up on the issue with the citizen.

**Scheduled:**

None



**Go to Item 4**

**Go to Agenda**

## Governing Board Meeting – May 17, 2017

Agenda Item: 4

BOD#: 2017-05-06

### Agenda Item Title:

Consideration and possible approval of all consent agenda items as listed below:

- A. Board Meeting Minutes from April 19, 2017 – **Appendix A**
- B. Board Work Session Executive Minutes from May 1, 2017 – **Appendix B**
- C. Board Work Session Meeting Minutes from May 1, 2017 – **Appendix C**
- D. Town of Florence IGA Renewal – **Appendix D**
- E. Medical Insurance Provider Change (UHC – UHCT) – **Appendix E**
- F. Principal Financial Group (Dental Insurance) Addendum – **Appendix F**
- G. Henry & Horne, LLP Engagement Letter – **Appendix G**

### Background/Discussion:

The consent agenda allows the Board of Directors (BOD) to consider contracts, purchases, and other routine administrative matters having authorized funding within the current fiscal year budget as a single decision. Items may be withdrawn from the consent agenda and discussed separately upon request by any member of the BOD or staff. Information for each consent agenda item and corresponding supporting document is within the packet.

### Recommended Motion:

*“Motion to approve the consent agenda items for May 17, 2017.”*



**Go to Item 5**

**Go to Appendices**

**Go to Agenda**



**Governing Board Meeting – May 17, 2017**

**Agenda Item: 5**

**BOD#: 2017-05-07**

**Agenda Item Title:**

Discussion, presentation, and possible action regarding the SFMD Memorandum of Understanding.

**Submitted By:**

Fire Chief Paul Bourgeois

Superstition Firefighters Representative John Walka

**Background/Discussion:**

Labor and management have worked hard to put together an MOU that fits our organization. We are proud to present our organizations very first MOU to the Districts Governing Board.

**Financial Impact:**

TBD

**Enclosure(s):**

MOU

**Recommended Motion:**

*"Motion to approve the 2017 SFMD Memorandum of Understanding to be ratified and accepted on July 1, 2017, for a term of one year."*



**Go to Item 6**

**Go to Agenda**



## MEMORANDUM OF UNDERSTANDING

**SUPERSTITION FIRE & MEDICAL  
DISTRICT  
AND  
UNITED MESA FIREFIGHTERS  
ASSOCIATION, SUPERSTITION  
CHAPTER, IAFF, LOCAL 2260**

**JULY 1, 2017- JUNE 30, 2018**

## **Preamble**

### **Article I- Rights**

Section 1.1- Nondiscrimination and Affirmative Action

Section 1.2- Rights of Management

Section 1.3- Rights of the Union

Section 1.4- Rights of the Unit Members

Section 1.5- Delivery of Service

Section 1.6- Prohibition of Strikes and Lockouts

### **Article 2- Grievance, Appeals, Labor - Management**

Section 2.1- Grievance Procedures

Section 2.2- Labor Management Relations

Section 2.3- Labor Management Teams

Section 2.4- Labor Management

### **Article 3- Staffing, Compensation, and Wages**

Section 3.1- Wages

Section 3.2- Acting Pay

Section 3.3- Temporary Promotion

Section 3.4- Assignment Pay

Section 3.5- Special Leaves

### **Article 4- Hours of Work, Working Conditions**

Section 4.1- Hours of Work

Section 4.2- Work Trades

Section 4.3- Filling Vacancies

Section 4.4- Seniority

Section 4.5- Conversation of Pay Rate and Earned Leave Accrual

Section 4.6- Compensation and Certification

## **Article 5- Benefits**

Section 5.1- Holiday Payment

Section 5.2- Vacation Accrual

Section 5.3- Sick Leave Accrual

Section 5.4- Earned Leave Buyout (ELBO)

Section 5.5- Additional Vacation Leave

Section 5.6- Uniform Allowance

Section 5.7- Industrial Leave

Section 5.8- Industrial Leave Benefits

Section 5.9- Deferred Compensation

Section 5.10- Tuition Reimbursement

Section 5.11- Light Duty Assignment

Section 5.12- Personnel File

## **Article 6- Health Benefits**

Section 6.1-Healthcare and Ancillary Benefits

Section 6.2- Health and Welfare

## **Article 7- Miscellaneous**

Section 7.1- Saving Clause

Section 7.2- Reduction in Workforce

Section 7.3- Pay and Benefits

Section 7.4- Recall / Reemployment

Section 7.5- Term and Effect of Memorandum

## **Meet and Confer Resolution**

## **PREAMBLE**

This Memorandum of Understanding (MOU) is entered into between the parties: the Superstition Fire & Medical District (herein after referred to as the "District") and the Superstition Chapter of United Mesa Fire Fighters, International Association of Fire Fighters (IAFF) Local 2260 (herein after referred to as the "Union").

WHEREAS: the parties recognize the importance of continuing and maintaining harmonious relations, cooperation and understanding between the District and its employees; and

WHEREAS, the parties, through their designated representatives, met and conferred in good faith pursuant to Resolution 2009-02 Meet and Confer Relationship in order to reach agreement concerning wages, hours, and working conditions of employees of the IAFF United Mesa Local 2260 - Superstition Chapter; and,

WHEREAS, the parties hereby acknowledge that the provisions of this MOU are not intended to abrogate the authority and responsibility of the Superstition Fire & Medical District Governing Board provided under the statutes of the State of Arizona or Pinal County Fire District Regulations, except as expressly and lawful limited herein.

NOW, THEREFORE, having reached this complete agreement concerning wages, hours, and working conditions for the term specified, the parties submit this MOU to the Superstition Fire & Medical Board of Directors with their joint recommendation that the body resolve to adopt its terms and take such action as may be necessary to implement its provisions.

## **RECOGNITION**

The District does hereby recognize the Superstition Chapter of the United Mesa Fire Fighters, IAFF Local 2260 as the Union, for the purpose of meet and confer with respect to wages, hours and working conditions, for all full-time sworn personnel to include: Firefighters, Fire Engineers, and Fire Captains, hereby known as Unit Members. Contract, part-time, temporary, and civilian employees are excluded; as are probationary employees who have not graduated from the fire academy.

## **ARTICLE I: RIGHTS**

### **Section I.1: Nondiscrimination and Affirmative Action**

This MOU applies equally to all members of the Superstition Chapter. The Superstition Firefighters Association and the District will not discriminate in employment relations against any employee because of race, religion, national origin, political affiliation, age, sex, sexual orientation, marital status, physical or mental disabilities, or source of income unless based on a bona fide occupational qualification. Whenever any words used herein in the masculine, feminine or neutral, they shall be construed as though they were also used in another gender in all cases where they would so apply.

### **Section I.2: Rights of Management**

The following are illustrative of rights of management and are not to be construed as being all inclusive. The District will maintain the right of determination as to the purpose of each of its Districts, agencies, boards and commissions, and will set standards of service to be offered to the public and shall exercise complete control and discretion over its organization. Any rights, powers and authority the District had prior to entering into this MOU are retained by the District except as expressly provided for in this MOU.

- A. The Union recognizes that the District and the Fire Chief retain, whether exercised or not, solely and exclusively, all express and inherent rights and authority pursuant to law with respect to determining the level of and the manner in which the Fire District's service delivery activities are conducted, managed, and administered, and the Union recognizes the exclusive right of the Chief to establish and maintain departmental policy and procedures for the administration of the Fire District during the term of this MOU provided that such rules and procedures do not violate any of the provisions of the MOU.
- B. Except as otherwise specifically provided in this MOU, the District and the Fire Chief retain, without qualification, all rights and authority to which, by law and policy, they are entitled.
- C. The District and the Fire Chief have the exclusive right and authority to schedule work and/or overtime work as required in the manner most advantageous to the District subject to the terms of this MOU.
- D. It is understood by the parties that not every incidental duty connected with operations of the District is enumerated in job descriptions, nor may it be specifically described; nevertheless, it is intended that all such duties shall be performed by the employee when asked. The District and the Fire Chief shall determine and establish methods and procedures by which duties are performed, subject to the terms of this MOU.
- E. The Fire Chief and Senior Staff reserve the right to discipline or terminate members for just cause in accordance with Superstition Fire & Medical District policy or this MOU. Such decisions may be subject to the Grievance Process.
- F. The District and the Fire Chief shall have the right to transfer members within the District in a manner most advantageous to the District subject to terms of this MOU.
- G. The District shall have the authority to affect re-organizations of the District. However, any such reorganization shall be discussed with the Labor-Management team prior to implementation.
- H. The Union recognizes that the District has statutory rights and obligations in contracting for matters relating to District operations.
- I. The District will direct its employees, take disciplinary action, relieve its employees from duty for legitimate reasons, determine whether goods and services shall be produced or provided by District employees, purchased or contracted for, and determine the methods, means, and personnel by which the District's operations are to be conducted.
- J. The District will take all necessary actions to maintain uninterrupted service to the community.
- K. The Fire Chief shall consult with the Union about the direct consequences that decisions on any of the foregoing matters may have on wages, hours, and working conditions.
- L. The District will determine the overall goals, objectives and policies affecting District programs.
- M. The District will determine the size of the District's workforce, its organization, functions, duties, amount of supervision and organization and will direct, appoint, employ and assign officers, agents and employees of the District and determine the standards thereof.
- N. The District will determine the location of District facilities, including the establishment or relocation of buildings, divisions or subdivisions, and the relocation or closing of offices, District's divisions or subdivisions, buildings or other facilities.
- O. The District will determine the financial policies, including all accounting procedures and all matters pertaining to finance.

- P. The District will direct, supervise, and evaluate the District's units, programs, functions and services of the District.
- Q. The District will classify the various positions of the District, develop and determine levels of staffing and training, and prescribe duties and standards of productivity and adopt reasonable rules and regulations for acceptable conduct.
- R. The District will authorize, assign and apportion overtime, including authorization for any full, part-time or contract labor.
- S. The inherent rights of the District and the Fire Chief, including those herein specifically referred to, which are not modified or restricted by the provisions of this MOU are not, in any way directly or indirectly, subject to the Grievance Procedure outlined in the District's Policy Manual.
- T. While the aforementioned outline the exclusive rights of the District, the Fire Chief and Senior Staff shall endeavor in good faith to include the Union in critical decisions related to the above conditions.
- U. Nothing herein shall be construed to diminish the rights of the District as outlined in Resolution 2009-02.

### **Section 1.3: Rights of the Union**

- A. The Union, as the authorized representative, has the exclusive right to serve as the Meet and Confer representative of its members in the Fire Suppression Unit recognized by the Superstition Fire & Medical District and in accordance with Resolution 2009-02.
- B. The Chapter Vice President and Chapter Executive Board members may be authorized in advance in writing to engage in Union related activities, including Unit Member representation, with full pay during duty hours when at the discretion of the Fire Chief doing so will not interfere with the efficient and economical delivery of emergency services.
- C. The Chapter Vice-President and Executive Board of the Superstition Chapter of the Local 2260 shall have participation with the Fire Board of Directors in the hiring and /or appointment process and selection of a Fire Chief for the Superstition Fire & Medical District. The Chapter Vice President and the Executive Board shall make a recommendation to the Fire Board of Directors, after the process, as representatives of the Labor Group. The Fire Board of Directors shall have the final decision in the selection process.
- D. The District will, subject to operational needs and supervisory approval, allow release time with pay for all duly elected officers of the Union to attend Union Chapter meetings, and other related meetings/conferences.
- E. The District may, subject to operational needs and supervisory approval, allow release time with pay for all duly elected officers of the Union to include the Chapter Vice President or his designee and Executive Board Members of the Union and members identified in writing by the Union for out of District training, conferences, meetings, etc. This leave is not subject to normal District leave policies.
- F. Registration, travel and other related fees for conferences and meetings beyond official or sanctioned District meetings and events are the sole responsibility of the Union.
- G. The District shall furnish to the Union, on request, a listing of Union members on District payroll deduction in July and January during the term of this agreement indicating name, mailing address, and job assignment. The Union agrees to use this list solely for purposes of communicating with Union members and will not share this information with other individuals or organizations.

- H. The District shall deduct from each bi-weekly paycheck any union dues, and/or other union specified deductions, after signed and completed forms are provided to the human resources department by the individual employee; except, however, that such deduction shall be made only when the employee's earnings for that pay period are sufficient after other legally required deductions are made. The Union may request a change in dues or deductions to bi-weekly paychecks during the term of this Memorandum of Understanding. However, any changes to dues, deductions, or contributions must have signed and completed forms from each employee confirming authorization of change in deduction. The District will provide the Union with deductions elected to be given by employee to union groups bi-weekly with each paycheck either through check or electronic deposit.
- I. The District will provide the Union, upon request, non-confidential and readily available information concerning the Union that is necessary to Union representatives for negotiations, and is not otherwise available to the Union, such as personnel census, employee benefit data, and survey information. Such requests shall be made in writing through the Fire Chief. Any unusual costs incurred by the District in connection with this section shall be borne by the Union.

#### **Section 1.4: Rights of Union Members (Unit Members)**

- A. Unit Members shall have the Union serve as their meet and confer representative without discrimination based on membership or non-membership in the Union or any other organization.
- B. Unit Members have the right to be represented or not to be represented by the Union in dealings with the District concerning grievances and matters pertaining to their individual employment rights and obligations.
- C. At their request, Unit Members will have the right to a representative when requested during any disciplinary meeting or when being asked to sign a Performance Improvement Plan.
- D. The Fire District will make every reasonable effort to allow time for the representative to support a Unit Member where doing so will not negatively impact emergency service delivery.
- E. Discipline, for purposes of this section, include; written reprimands, disciplinary probation, suspension, involuntary demotion and termination.
- F. All Unit Members shall retain the right to represent themselves at disciplinary meetings, during investigations, for grievances, at hearings, and for any other employee/employer issues.
- G. Disciplinary meetings do not include an interview of a Unit Member during the normal course of work to include, fact-finding, coaching and counseling, informal verbal admonishment or other routine or unplanned contact with a supervisor.
- H. For the purposes of this section, "fact-finding" is defined as a meeting intended to determine facts or the accuracy of information.
- I. Unit Members have the right to a representative for investigations where the Unit Member is the principal focus of the inquiry. Such representation may not unreasonably delay the scheduled date and time of meetings related to the investigation.



- J. The Fire Chief and Chapter Vice President shall approve and appoint a Unit Member to serve as an observer during a Disciplinary Review Board. Will serve to observe the board's actions as a means to ensure board proceedings are conducted fairly and without prejudice.
- K. All Unit Members shall have the right to join or not join the Union. Employees have the right to participate on behalf of or engage in activities on behalf of a Union and have the right to refrain from such activity. Employees shall be free from any interference, restraint, or coercion by any employee, supervisor, or manager for or against the Union.
- L. Violations of Unit Members rights described in Paragraph K of this section by any District employee may result in disciplinary action up to and including termination. Violations of employees' rights described in Paragraph K of this section by officials, officers or agents of the Union may also result in decertification of the Union by the SFMD Governing Board of Directors.
- M. When asked to do so, the Union must equally and fairly represent all Unit Members.

### **Section 1.5: Delivery of Services**

The parties recognize the delivery of Fire District services in the most effective and efficient manner possible is of paramount importance. Maximized productivity is recognized to be a mutual objective of both parties within their respective roles and responsibilities. To that end, it is the right and responsibility of the District to:

- A. Determine the type and level of service to be provided by the Fire District;
- B. Determine the most appropriate location, materials, and equipment for carrying out these services;
- C. Determine and implement policies, standards, procedures, and methods for directing and supervising the operations and functions of the Fire District;
- D. Establish, review, or implement policies, standards, procedures, and/or qualifications for hiring, classifications, transfers, and promotions;
- E. Establish, review and implement, procedures, and assignments necessary to the delivery of quality services.

### **Section 1.6: Prohibition of Strikes and Lockouts**

- A. The Union pledges to maintain unimpaired Fire Fighting, Emergency Medical Services, and related support services as directed by the Fire Chief. It shall not cause, condone, counsel or permit its members or Unit members, to strike, fail to fully and faithfully perform their duties, slowdown, disrupt, impede or otherwise impair the normal functions and procedures of the District.
- B. Should any Unit member(s) of the Executive Board during the terms of this MOU, and until such time that is expressly and legally rescinded, breach the obligations of paragraph A, the Fire Chief or his designee shall immediately notify the Union VP that a prohibited action is in progress. The International Association of Firefighters shall immediately disavow said strike or other prohibited action and shall endeavor in good faith to cause such employees to immediately return to work and/or cease the prohibited activity or, alternatively accept the responsibility for the strike or prohibited activity.
- C. There shall be no lockout by the District during the terms of the MOU.

- D. Unit Members found in violation of this section shall be subject to disciplinary action up to and including termination.
- E. The Union may be subject to decertification by the SFMD Governing Board of Directors for violations of Paragraph A of this section.

## **ARTICLE 2: GRIEVANCE/APPEALS/LABOR-MANAGEMENT**

### **Section 2.1: Grievance Procedures**

- A. Employee grievances shall follow SFMD Volume I Policy 102.30 Grievance Procedure.
- B. Matters subject to a formal grievance proceeding are eligible for an appealing hearing. All appeals shall follow SFMD Volume I Policy 102.31 Appeal Hearing.

### **Section 2.2 Labor-Management Relations**

- A. Labor Management Relations shall follow SFMD Volume I Policy 102.45 Labor-Management Relations.
- B. Labor and Management are equally committed to enhancing the SFMD as an organization. The focus of our efforts will be a commitment to quality services for both our internal and external customers.

### **Section 2.3: Labor-Management**

- A. There shall be a Labor and Management Group consisting of six (6) representatives of the Firefighters Association (One (1) Chapter Vice President and five (5) members of the Executive Board) and representatives from the District (Fire Chief and members of the Senior Leadership Team). The purpose of the group is to facilitate improved Labor-Management relations by providing a forum for discussion of challenges and mutual concerns which may include new District programs or substantial modifications of existing programs, policies and procedures that could impact work schedules, duties, safety, compensation and/or benefits.
- B. The SFMD Labor-Management team meets the second Monday of each month, and as-needed, to discuss District policies, programs, and strategic planning as well as wages, benefits and working conditions of unionized employees. The Labor Management team shall meet no less than quarterly.
- C. Union representatives and District representatives shall in advance of a meeting provide each other with proposed agenda.
- E. The Labor Management team may be supplemented by additional members for specific agenda items when agreed upon before the meeting.

- F. The Labor Management team may assign additional teams as necessary. Each team will consist of at least one (1) representative of the Union and one (1) representative of Management. The Labor Management team recognizes the value of District teams and committees as a cornerstone of a healthy Labor-Management system. The following committees are formally recognized by the Labor-Management group. These include, but are not limited to:
- Health & Wellness
  - Safety
  - Staffing Guidelines
  - Apparatus/Deployment
  - Peer Support
  - Uniform
  - Grant
  - Deferred Compensation/PSPRS
  - Playbook
  - PIO
  - ImageTrend /Technology
  - Pipes & Drums/Honor Guard
- H. The Labor-Management team shall endeavor to support the teams and committees listed in Section G and will commit personnel, who represent both Labor and Management, to serve as permanent members of each team/committee.
- I. Labor-Management members serving as team/committee members shall endeavor to attend all meetings and actively engage in team/committee matters as productive and functioning participants. Likewise, team members assigned to their respective teams/committees will provide regular feedback to the Labor-Management team regarding the dealings and progress of teams/committees.
- J. In addition to regular teams and committees, members of Labor-Management recognize that in order to disseminate accurate and meaningful information and to appropriately represent Unit Members and other employees, participation and regular attendance at several other District meetings is also necessary. The meetings deemed most critical by this section include: Middle Managers, All-Staff, Budget Managers and monthly SFMD Governing Board meetings.
- K. The Chapter Vice President, or designee, will endeavor to attend the meetings listed in Paragraph J of this section in recognition of their importance in moving and shaping the organization.

## **Section 2.4: Labor/Management Decision Making Process**

The District and the Union are committed to working together effectively to avoid issues or outcomes that could threaten our ability to provide a superior service to the community. The Senior Leadership Team (SLT) and the Executive Board of the SFMD Chapter of Local 2260 are committed to maintaining an open and cooperative relationship and enhancing the quality of services provided internally and externally.

Through a collaborative effort, Management and Labor developed a process allowing equal representation of the Union and District at all levels of the decision making process. The intent of this process is to drive and maintain the production of a healthy Labor/Management process. Involving both parties at the inception of issues or initiatives. The District and the Union shall engage in the formal decision making process for the purposes of, but not limited to: development and amendment of organizational policies/procedures, planning, and implementation.

With regard to the decision making process, the term “Labor Management Team” refers to a single member of management paired with a single member of Labor. “Labor Management Group” shall refer to the members who participate in monthly meetings held the second Monday of each month. “Steering Committee” shall refer to the team comprised of the Fire Chief and the Chapter Vice President.

The process works as described:

- A. Committee makes a recommendation or identifies an issue. Moves the recommendation to the Labor Management Team.
- B. The Labor Management Team evaluates the recommendation and shall either approve, disapprove, or refer the recommendation back to the Committee or up to the Labor Management Group.
- C. The Labor Management Group shall approve, disapprove, or refer the recommendation back to the Steering Committee who shall approve, disapprove, or refer the recommendation back to either the Labor Management Group, Labor Management Team, or Committee.
- D. Final Decision shall be sent to Committee, policies updated, and changes communicated to the organization.
- E. In the event of a vote, Labor and Management shall have equal representation. Representation may be in person or via electronic device.

## ARTICLE 3: STAFFING/COMPENSATION/WAGES

### Section 3.1: Wages

Wages and/or benefits for all Unit Members will not decrease for the duration of this MOU. The Labor Management Team shall make compensation and benefit comparisons with neighboring departments and districts including, but not limited to: Mesa, Chandler, Gilbert, Scottsdale, Northwest Fire District, Golder Ranch Fire District, and North County Fire District. Unit Members assigned to a 24-hour shift will utilize a FLSA 18-day work period.

Pay Scale:

Rank	Range Number	Start	6 Months	Step 1	Step 2	Step 3	Step 4	Step 5
Firefighter	N/A	\$47,083.85	\$49,438.09	\$51,909.99	\$54,505.49	\$57,230.79	\$60,092.31	\$63,096.00
Engineer	39			\$60,461.62	\$63,484.70	\$66,685.94	\$69,991.88	\$73,491.48
Captain	45			\$70,116.94	\$73,622.79	\$77,303.93	\$81,169.13	\$85,227.58
Battalion Chief / Division Chief	57			\$94,299.49	\$99,014.47	\$103,965.19	\$109,163.45	\$114,621.62

### **Section 3.2: Acting (Out-of-Class) Pay**

- A. Acting (out-of-class) pay will be administered according to Policy 102.48. When an employee works in an acting capacity for 10 or more consecutive shifts the employees base rate of pay shall increase by a minimum of 5% or adjusted to Step I of the position to which they are assigned, for the duration of the acting assignment. This adjustment shall be retroactive to the first shift of the assignment.
- B. An employee working an acting assignment on a reasonably regular but non-consecutive basis, shall receive out-of-class compensation for the duration of the assignment if they work at least 480 hours in a 6-month period. If this occurs, the employee's compensation shall be retroactive to the first day of the acting assignment with in the calculated 6-month period.
- C. This policy applies to all employees with exception of the Fire Chief.

### **Section 3.3: Temporary Promotion**

- A. If a vacancy is expected to extend beyond 10 shifts, 30 days, or to meet a special need, the Fire Chief or his designee may temporarily promote an employee.
- B. From the effective date of the temporary promotion, the employees' base rate of pay shall be increased by a minimum of 5%, or adjusted to Step I of the position to which they are assigned, whichever is greater. This adjustment shall be retroactive to the first day of the assignment and remain for the duration of the assignment. Temporary promotions will be administered in accordance with Policy 102.48.A.

### **Section 3.4: Assignment Pay**

- A. Paramedic (F/T Public Safety Only) - \$7,500 (on top of base salary)
- B. Technical Rescue Team (TRT) Incentive - \$1,800 (on top of base salary)
- C. BSO – 2.5% - (on top of base salary)
- D. SCBA Tech - 2.5% (on top of base salary)
- E. Educational Incentives (F/T Employees Only)
  - i. Certificate of Completion: \$600 (on top of base salary)
  - ii. Associate's Degree (or higher): \$1,200 (on top of base salary)

### **Section 3.5: Special Leaves**

Employee Leaves will be administered and managed in accordance with SFMD Volume I Policy 102.17 - Special Leaves.

## **ARTICLE 4: HOURS OF WORK/WORKING CONDITIONS**

### **Section 4.1: Hours of Work**

The SFMD recognizes a 48/96 schedule, otherwise known and referred to herein as 48/96. The normal work week will average approximately fifty six (56) hours consisting of a combination two (2) consecutive twenty four (24) hour shifts on duty and four (4) consecutive twenty four (24) hour shifts off duty. The 48/96 work schedule will remain consistent with SFMD Volume I Policy 102.11: Work Criteria - Public Safety/Shift Assignments.

- A. Duty hours for Unit Members assigned to Emergency Services, excluding forty (40) hour assignments, will be paid bi-weekly based on averaged hours worked in the pay period. Overtime will be paid based on actual hours worked.
- B. The work hours and schedule of Unit Members assigned to forty (40) hour assignments and all other Unit Members assigned to alternative/specialty assignments shall be at the discretion of the Fire Chief.
- C. When a Unit Member is required to change from one shift to another by the District, the District shall allow a minimum of twelve (12) hours between tours of duty.

### **Section 4.2: Work Trades**

Shift personnel may engage in work trades with other employees. Work trades are arrangements between employees, reviewed and approved by the Captain and Battalion Chief, and are a privilege extended to employees. Work trades shall not qualify a Unit Member for overtime. Work trades will be managed in accordance with SFMD Volume I Policy 102.11 Work Criteria - Public Safety / Shift Assignments.

### **Section 4.3: Filling Vacancies**

All vacancies in the classified service may be filled by transfer, promotion, demotion, employment, reinstatement, or from the appropriate employment list or other qualified applicants. Current employees should be given first consideration when filling a vacancy. This policy shall be consistent with SFMD Volume I 102.09 - Method of Filling Vacancies.

### **Section 4.4: Seniority**

Upon original appointment to employment with the SFMD an employee's seniority will be computed from the hire date. This policy will be consistent with SFMD Volume I 102.05 - Probationary Status.

- A. The Fire District will utilize adjusted seniority when considering bid requests. For purposes of this section, adjusted seniority will be determined by adding consecutive years of sworn service with the District, added to years of service in their current rank, which provides Unit Members a point score.
- B. Seniority in rank will be determined by the following method:
  - Firefighter (After ONE year of service)  
Adjusted seniority, lottery if identical
  - Firefighter/ALS  
Adjusted seniority, date of ALS assignment, lottery if identical
  - Engineer  
Adjusted seniority, lottery if identical

Examples:

Firefighter	Engineer	Captain
3 years of service	7 years of service	12 years of service
0 years in rank	2 years Engineer	5 years Captain
Total		
3 its. Adjusted Seniority	9 pts. Adjusted Seniority	17 its. Adjusted Seniority

- Engineer/ALS:  
Adjusted seniority, date of ALS assignment, lottery if identical
- Captain  
Adjusted seniority, lottery if identical
- Captain/ALS: Adjusted seniority, date of ALS assignment, lottery if identical

- C. Any Unit Member who voluntarily separates employment from the District, but is later rehired by the District, shall lose all adjusted seniority accumulated prior to separation. Unit Members who separate employment due to a reduction in workforce but who are rehired will retain any seniority they had prior to the reduction in workforce.
- D. Any Unit Member who takes an unpaid leave of absence in excess of thirty (30) consecutive calendar days that is not covered by the Family Medical Leave Act (FMLA), Military Leave, or Arizona Victim's Leave law shall not accumulate adjusted seniority for any time in excess of 30 days.

#### Section 4.5: Conversion of Pay Rates/Earned Leave Accruals

- A. Employees that move from the 56-hour (or shift) work week to the regular 40-hour work week or from a 40-hour week to 56-hour (shift) week for any reason will have their pay and earned leave benefits converted accordingly.
- B. Employees moving from a 56-hour to 40-hour schedule shall have their compensation adjusted to include a five and one half percent (5.5%) day differential to keep the employee "whole" for FLSA purposes.
- C. All suppression shifts worked while an employee is assigned to a forty (40) hour work schedule shall be compensated at 1.5 times the employees fifty-six (56) hour base rate of pay.
- D. Members assigned to forty (40) hour positions shall remain eligible for assignment pay (i.e. Paramedic, TRT, etc.).
- E. Employees on the 40-hour work week will be eligible to work shift overtime as long as:
- The employee has the required qualifications.
  - The employee has worked in the position prior.
  - The shift work assignment does not interfere with their normal working hours.
- F. Overtime will be distributed in accordance with Telestaff algorithms.

## Section 4.6: Compensation & Certification

- A. Any hours worked beyond 112.31 hours in the work period will be paid as overtime.
- B. Unit Members shall maintain all certifications required of their positions including but not limited to E.M.T., Paramedic, TRT, and Blue Card certification.
- C. Failure to maintain required certifications may result in reimbursement by the Unit Member to the District for the District's vested cost of said certifications when the Unit Member fails to endeavor to recertify the loss of certification and/or where the loss of certification creates disorder or disruption to the delivery of emergency services.

## ARTICLE 5: BENEFITS

### Section 5.1: Holiday Payment

Full time 56-hour employees are provided additional compensation equal to 12 hours of regular pay, when the employee works their normally scheduled shift on any of the 10 annual holidays listed below. As referenced in Policy 102.11, Work Criteria, employees covering a work trade do not receive Holiday Pay. The employee originally scheduled to work the holiday will earn the holiday pay incentive for that Holiday. This section will be administered in accordance with SFMD Volume I Policy 102.16 - Earned Leaves.

The District recognizes ten holiday days per year:

New Year's Day	Labor Day
Martin Luther King Day	Columbus Day
President's Day	Veteran's Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

### Section 5.2: Vacation Accrual

Vacation leave shall be earned and accrued from the date of full-time employment with the SFMD. Eligible employees accrue the appropriate number of hours of vacation leave based on their anniversary date. This benefit will be administered in accordance with SFMD Volume I Policy 102.16 - Earned Leaves. Full-time employees shall earn and accumulate vacation leave annually as follows: (hours per pay period / days annually).



Years of Service	Hours Per Pay Period	Days Per Year
0-2	7.10	7.69
2-3	7.48	8.10
3-4	7.85	8.50
4-5	8.22	8.91
5-6	8.60	9.32
6-7	8.97	9.72
7-8	9.35	10.13
8-9	9.72	10.53
9-10	10.09	10.93
10-11	10.47	11.34
11+	10.87	11.78

### Section 5.3: Sick Leave Accrual

Sick leave will be accrued as defined in SFMD Volume I 102.16 - Earned Leave.

- A. PSPRS employees will accrue sick leave at a rate of 6.25 hour per pay period.
- B. During pay periods of uncompensated leave employees will not accrue sick leave.

### Section 5.4: Earned Leave Buy Out (ELBO)

At fiscal year's end 56 hour employees will be paid for accrued **vacation** hours in excess of 450 hours (320 for 40 hour employees) The ELBO policy will be administered in accordance with SFMD Volume I 102.16 - Earned Leave.

- A. T
- B. Earned Leave Buy Out (ELBO) will be any vacation hours accrued in excess of the established cap.
- C. Annual ELBO payouts for vacation leave will be calculated at the employee's current hourly rate as of June 15th each year.
- D. 56 hour employees must use a minimum of 72 hours of scheduled vacation per fiscal year. 40 hour employees must use a minimum of 30 hours of scheduled vacation per fiscal year.
- E. Payment of any approved ELBO will occur in the paycheck closest to Mid-June each year.

At fiscal year's end and upon retirement, employees will have their remaining **sick** hours purchased from them by the District. Sick leave buyout will be administered in accordance with SFMD Volume I 102.16 - Earned Leave.

- A. The annual cap of accrued sick leave for PSPRS employees is 1,460 hours.
- B. Annual sick leave buyout will be any sick hours accrued in excess of the established cap.
- C. Annual board approved ELBO payouts for sick leave hours accrued over the established caps will be calculated at the employee's current hourly rate as of June 15th each year. Payment of any approved ELBO will occur in the paycheck closest to Mid-June each year.
- D. Board approved ELBO payouts for accrued sick leave, as of the employee's official retirement date, will be paid at 100% of the individual's accrued total sick leave hours, with the employee's hourly rate being calculated as the average hourly rate for the five years preceding the employee's approved (official) retirement date.

### **Section 5.5: Additional Vacation Leave**

- A. Formerly known as Floating Holiday, 56-hour employees will receive an additional 24 hours of vacation leave at the beginning of each fiscal year. This benefit will be administered in accordance with SFMD Volume I Policy 102.16 - Earned Leaves.

### **Section 5.6: Uniform Allowance**

Unit Members will receive seven hundred dollars (\$700) uniform allowance per fiscal year. Employee's uniform balance will be managed by the Superstition Fire & Medical District accounting staff. Employees will be responsible to pay the contracted uniform vendor for any uniform items they wish to purchase above the provided annual amount. This benefit shall be administered in accordance with SFMD Volume I 102.13 - Uniform and Grooming.

### **Section 5.7: Industrial Leave / On the Job Injury**

Industrial leave is defined as leave necessitated by an injury, illness or condition sustained as a direct result of employment with the Fire District, which requires treatment and/or recuperation as determined by a District authorized physician. Industrial leave is authorized through the State Industrial Commission. Industrial leave is not accrued, but is available through and in accordance with the Arizona Workers' Compensation Law (Title 23, Chapter 6; Arizona Revised Statutes): All employers with one or more employees must carry Workers' Compensation Insurance. This benefit shall be administered in accordance with SFMD Policy 105.01.

- A. Coverage for all employees begins at time of hire. Workers' Compensation coverage is subject to the terms and conditions of the law.
- B. Job related injuries must be reported and documented with the employees' immediate supervisor, absent extenuating circumstances, immediately, or as soon as reasonably possible following the accident or injury.
- C. The Fire District has the right to request that an employee injured on the job seek medical assistance from a doctor of the Fire District's choice.
- D. While on industrial leave, no sick leave, vacation leave, compensatory leave, or any other paid leave will be charged to the employee.
- E. While on industrial leave, the employee will remain in full-pay status accumulating all benefits due to him/her.

- F. An employee may remain on industrial leave for 180 days at which time an evaluation will be made, upon the recommendation of a Fire District authorized physician as to whether the employee will be able to return to work performing the essential functions of their job, with or without a reasonable accommodation.

### **Section 5.8: Industrial Leave Benefits**

- A. If a compensable claim is processed through the Arizona State Compensation Fund, a check is issued to the employee it must be endorsed back to the Fire District.
- B. If the claim is determined to be non-compensable the employee may appeal the decision to the Industrial Commission of the State of Arizona for final disposition.

### **Section 5.9: Deferred Compensation**

- A. The District Deferred Compensation program shall be coordinated by a six (6) member committee comprised of three (3) members of the Fire District (I) Unit Member and the deferred compensation plan administrator and one (1) additional management designee.
- B. The Deferred Compensation Committee shall maintain bylaws.
- C. Unit Members must contribute a minimum of \$61 per biweekly pay period to be eligible for the District contribution.
- D. The District shall provide a maximum Deferred Compensation contribution of \$61 per biweekly pay period to those who are eligible.

### **Section 5.10: Tuition Reimbursement**

- A. Tuition reimbursement shall not exceed \$7,800 annually per Unit Member.

### **Section 5.11: Light Duty Assignments**

The SFMD will attempt to accommodate all employee's request for a light duty assignment for employees who are not able to perform their normal duty assignments due to temporary injuries or illnesses, which have occurred on or off duty. Administration of light duty assignments will be done in accordance with SFMD Volume I 102.14 - Injury Leaves and Light Duty Assignment.

### **Section 5.12: Personnel File**

- A. Employees who have received disciplinary action may request an addendum to disciplinary action from their supervisor after one (1) year provided they have received no further disciplinary action.
- B. The supervisor shall prepare an *Addendum to Disciplinary Action* as requested if the employee has not exhibited any of the performance or behavioral problems addressed in the initial disciplinary action.
- C. The addendum of disciplinary action shall be maintained in the employee's personnel file along with the original disciplinary action.

## **ARTICLE 6: HEALTH BENEFITS**

### **Section 6.1: Healthcare & Ancillary Benefits (Cafeteria Plan)**

The District shall contribute employee “benefit dollars” to be used toward the purchase of medical, dental, vision, life insurance or any other benefits provided by the District for its employees. All full-time employees, and their eligible dependents, are eligible for Benefit Contribution dollars on the employees hire date. The District shall also be allowed to make minor program changes which are beyond the District’s control (e.g., mandated by the carrier or by regulation).

The District will maintain the premium contribution levels of **\$390** per pay period to each employee in full time status, and must be used towards insurance and other specified benefits (deferred compensation, life insurance) for the term of this MOU.

### **Section 6.2: Health & Welfare**

- A. Vaccinations and Inoculations: The District will provide at no cost to Unit Members, Hepatitis B, Influenza, Tetanus, TB screenings and any other vaccinations recommended by the CDC, OSHA, and NFPA for first responders.
- B. Medical Examinations: The District will provide annual medical examinations in accordance with NFPA 1582.

## **ARTICLE 7: MISCELLANEOUS**

### **Section 7.1: Saving Clause**

- A. If any Article or Section of this MOU should be held invalid by operation of law or by a final judgment of any tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or Section should be restrained by such tribunal, the remainder of this MOU shall not be affected thereby.
- B. It is recognized by the parties that the provisions of the Fair Labor Standards Act are currently applicable to certain of the wage and premium pay provisions of this MOU and that this MOU shall be administered in compliance with FLSA for so long as the Act is applicable.
- C. Nothing contained in this MOU shall preclude the parties from being in compliance with the requirements of the American with Disability Act (ADA).
- D. In the unlikely event that during the term of this MOU the Superstition Fire & Medical District experiences loss of revenues or legal requirements that if not resolved during the budget year would result in the layoff of District personnel, or the serious curtailment of services provided to the citizens serviced by the Superstition Fire & Medical District, this MOU may be reopened for negotiations. The following provisions shall apply to this circumstance:
  - i. The Fire Chief shall notify the SFMD Governing Board of Directors that a fiscal emergency exists, and seek the authorization to meet with the Union Vice President of the Superstition Chapter of UMFF Local 2260 to open the MOU.
  - ii. The Fire Chief shall notify the Union Vice President in writing of the need to reopen this MOU. Such notice shall include the reasons for the reopening and the anticipated amount of District budget shortfall that needs to be resolved in order to alleviate the need to layoff District Unit Member employees or severely curtail services provided to the citizens of the Superstition Fire & Medical District.

- iii. The Labor Management team and representatives from UMFF Local 2260 shall meet and confer in good faith for a period of no more than thirty (30) calendar days, from the original date of the notification that the MOU was re-opened, in an effort to reach an agreement on how best to address the identified issues. The scope of the re-opened Meet & Confer discussions shall be limited to economic issues.
- iv. The initial thirty (30) day period may be extended up to an additional thirty (30) days if agreed to by the parties. Additional extensions, if necessary, may only be granted at the discretion of the SFMD Governing Board of Directors.
- v. Recommended modifications to the MOU shall be submitted to the SFMD Governing Board of Directors who will make final determination as to the acceptance, rejection, or alteration of the proposed modifications. The Union shall be provided an opportunity to address the SFMD Governing Board of Directors with respect to any proposed modifications.
- vi. Should the District and the Union be unable to reach agreement on proposed modification of the MOU within the time periods set by this provision, the Governing Board of Directors of the will consider and establish remedies necessary to address the identified issues. The Union shall be provided an opportunity to address the SFMD Fire Board regarding identified issues.
- vii. This section shall only apply if the general population of SFMD's workforce is subject to the same or greater reduction of pay or benefits or resulting layoffs.

## **Section 7.2: Reduction in Workforce**

The purpose of this provision is to provide a systematic and equitable method for the organization to reduce or reorganize the workforce due to a fiscal crisis, lack of funds, or budgetary constraints to maintain safe, harmonious and efficient emergency operations for employees and the community they serve. This policy applies to all employees including but not limited to permanent, temporary, part-time contract and/or grant funded positions.

A reduction in workforce is a District-initiated action taken to reduce or reorganize the fire district staffing levels. Implementation of Section 7.2 will be carried out by the Fire Chief and approved by the SFMD Governing Board of Directors.

- A. The District shall consider proactive steps to avoid or minimize a reduction-in-force. Such steps may include; budget review to identify non-critical areas for reduction or elimination; suspension or elimination of temporary services and contract workers; implementation of a hiring freeze; a review of overtime and training hours; incentives for early retirement; severance package; job sharing; furloughs; reduced benefits; reduced work hours; reorganization; alternate staffing/ service strategies; or a wage and benefit freeze.
- B. When any work schedule modifications, reorganization, salaries or benefit reductions become necessary, the Fire Chief shall notify the Board of Directors. When a reduction in workforce becomes necessary the Fire Chief shall notify the Board of Directors as to the number of employees to be laid off. Employees shall be identified for layoff based on the layoff selection process, contained in the procedure section of this policy.
- C. The Fire Chief shall give thirty (30) calendar day's notice to employees identified for layoff and employees affected by restructure and/or elimination of their position.

- D. Employees receiving notice may be laid off immediately, if paid for the 30 day notice period. Reduction in workforce / reorganization is non-grievable, unless the grievance is based on discrimination.
- E. The initial layoff process will include each Battalion Chief evaluating their program management areas to determine where reductions or reorganizations can be made, while identifying critical operational needs for personnel and community safety. The evaluation shall be forwarded to the Operations Chief. The Fire Chief, Operations Chief and Representatives of the Labor Group shall discuss the reorganization prior to implementation. Final approval of affected classifications and numbers rests with the Fire Chief and the Fire Board.
- F. All temporary employees shall be laid-off before part-time employees; part-time employees before full time probationary employees; and full time probationary employees before full-time non-probationary employees. Employees who have not completed their initial (entry) probationary period will not be eligible for recall rights or other layoff privileges.
- G. Single discipline trained employees shall be laid-off before multi-discipline cross-trained employees. EMS employees are trained solely to provide EMS. Firefighters are trained in numerous areas including EMS, fire suppression, rescue, extrication, hazardous situations, etc.
- H. For full-time positions, layoffs will be based on rank and seniority. Layoffs will be made first by selecting the least senior employee in the lowest rank, offering the least senior employee in the next highest rank a chance to demote to the lower rank.
- I. Employees who have been reclassified as a result of a reduction-in-force action shall retain the salary of the position held prior to the reclassification. If this salary exceeds the range of the classification to which the employee was reclassified, the employee will receive a pay freeze until employee's pay is within the range of their new classification.
- J. Seniority shall begin on employee's most recent hire date to a regular full-time position. Any District employee hired to a Fire position shall receive a new hire date and will not carry over seniority from a previous classification. Seniority for positions of rank shall begin on date of promotion, if more than one employee is promoted on the same date, adjusted seniority shall be used to determine seniority. Seniority encompasses the probationary period.
- K. In the event a tie exists between two or more employees, the next consideration will be the person's final overall promotional examination score or the member's overall entrance exam score where applicable.
- L. Seniority is defined as total consecutive years/months of District employment without a break in service. If there has been a break in service, previous service shall count. Active Duty Reserve military training will be considered consecutive service. Absences authorized under Policy 102.17, Special Leaves shall be considered continuous employment.

## **Section 7.2a: Pay & Benefits**

- A. In the event of a layoff, the employee's final work day shall be the last day in the pay cycle. Final payment of wages and other accumulated hours (holiday, vacation, and sick leave) shall be paid to the employee on the next regularly scheduled payday.
- B. Employees that have been laid off do not accrue vacation or sick leave or increase in pay during the lay off period (steps) nor do they earn retirement service credits. However, employees who are reemployed (within 2 years) may have the same leave accrual rates they held immediately prior to the layoff.

- C. Employees that have been recalled (within 2 years) retain their seniority from date of the layoff. Seniority time will not accumulate during the layoff period. Retirement service credits will not accumulate, due to a break in service.
- D. An employee, separated through termination/layoff, may elect to withdraw, rollover, or receive monies from his/her deferred compensation plan account(s), as governed by the terms of those plans.
- E. Separated employees and their immediate families shall continue to be eligible for services provided by the District's Employee Assistance Program (EAP) for the period of three (3) months.
- F. Employees in the group health plan are eligible for COBRA. Refer to Policy 102.04 Compensation and Benefits.

### **Section 7.3: Recall/Reemployment**

- A. Employees who leave the District in good standing may be considered for future re-employment for a period up to two (2) years. Employees who resign without two weeks' notice, or who are dismissed for unsatisfactory performance or conduct, shall not be considered for re-employment.
- B. In the event of rehiring to fill vacancies created by retirements, resignations or the availability to increase staffing, personnel will normally (but not necessarily) be recalled in the reverse order of the layoff process. Therefore, last out would normally be the first to be rehired.
- C. Consideration shall be given to operational needs, employee classification and the employee's ability to perform the job when selecting the re-hiring of personnel.
- D. Employees on layoff status shall be placed on a recall list and will be eligible for recall for up to two (2) years or until the Fire Chief and SFMD Governing Board of Directors determines the layoff is permanent. After the two (2) year layoff period, an employee will no longer be eligible for recall and the layoff will be considered permanent.
- E. If an employee chooses to remove his/her name from the recall list, the employee will forfeit the rights to be recalled. Employees on the recall list will be required to contact Human Resources to keep the District updated with current home address and contact phone number within seven (7) calendar days of any changes. Failure to do so will eliminate all rights to be recalled.
- F. Employees recalled shall be notified by certified or registered United States mail. An employee has 30 days to respond back to a recall notice by certified or registered United States mail, after receipt of the recall notice or its attempted delivery. An employee who does not respond to the notice during the specified time period will be removed from the recall list and will no longer have any recall rights.
- G. Employees recalled to their former position shall be compensated at the rate of pay they would be entitled to had the layoff not occurred. If a recall places the employee in a higher level position than previously occupied, the employee will be paid in accordance with the provisions of the District's promotion policy.
- H. New employees will not be hired until all laid off employees have had an opportunity to be recalled in that job classification.

## **Section 7.4: Term and Effect of MOU**

- A. This MOU shall remain in full force and effect from July 1, 2017 until June 30, 2018. In the event the parties are unable to reach agreement on the new MOU for the FY 2018/2019 year prior to the expiration of this MOU, the SFMD Governing Board of Directors and the Union may extend this MOU by mutual agreement for the time period necessary to complete negotiations, and all terms of this agreement shall remain in effect during continued negotiations.
- B. The MOU may be renewable without further review or meet and confer if the Fire Chief, Chapter Vice President, and the SFMD Governing Board of Directors are in agreement.
- C. Except as expressly provided in this MOU, the District shall not be required to meet and confer concerning any matter, whether covered or not covered herein to take effect during the term or extensions thereof.
- D. This MOU supersedes any past practice and supersedes any previous agreement, verbal or written between parties hereto or between any of them and any employee(s) covered hereby.
- E. It is intended by the parties hereto that the provisions of this MOU shall be in harmony with the rights, duties, obligations, and responsibilities which by law devolve upon the SFMD Governing Board of Directors, Fire Chief and the Union while these provisions shall be interpreted and applied in such manner.
- F. The Union recognizes the powers, duties and responsibilities of the Fire chief as set forth in District Policy and that pursuant thereto the Fire Chief has the authority to establish rules and regulations applicable to the operation of the Fire District and to the conduct of the employees and officers employed therein, subject to the provisions of this MOU.
- G. This MOU references the SFMD Volume I Policy Manual of the District as approved by the Senior Leadership Team and Labor Management processes.
- H. Revisions to the Policy Manual and Standard Operating Procedures shall be in accordance with SMFD Vol I 102.01. Revisions to the Policy Manual and Standard Operating Procedures pertinent to this Memorandum from this point on must have approval of the Fire Chief, Senior Leadership Team, and the Chapter Vice President. To not do so will be considered a violation and breach of this MOU.
- I. In the event a dispute over the interpretation of any segment of this MOU arises, as a prelude to filing a formal breach of the MOU, the Union and the District will meet with the goal of developing a mutual agreeable clarification. Once agreed upon, the clarification will be signed by both parties and become an informational attachment of the MOU.

IN WITNESS WHEREOF, the parties have set their hands this 17th Day of May, 2017;

**Superstition Fire & Medical District:**

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Paul Bourgeois, Fire Chief



**IAFF United Mesa Firefighters Local 2260 – Superstition Chapter:**

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John Walka, Chapter Vice President

**Superstition Fire & Medical District Board of Directors:**

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Mr. Jeff Cross, Board Chair

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Mr. Gene Gehrt, Board Director (Clerk)

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Mr. Todd House, Board Director

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Mr. Jason Moeller, Board Director

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Mr. Larry Strand, Board Director

This document represents a milestone in the Superstition Fire & Medical District's Labor Management relationship. We proudly recognize the following individuals for their commitment to a healthy and productive Labor Management process as well as their contributions to this inaugural agreement.

**2017 SFMD Labor Management Team**

Paul Bourgeois	John Walka
Brett Broman	Paul Perkins
Jerome Schirmer	Chris Robson
Mike Farber	Jon Williamson
Roger Wood	Ryan Ledbetter
	John Christensen
	Trace Leggett
	Jackie Anderson

## Governing Board Meeting – May 17, 2017

### Agenda Item: 6

BOD#: 2017-05-08

#### Agenda Item Title:

Discussion regarding the development of the Fiscal Year 2017/2018 Revenue and Expenditure Budget.

#### Submitted By:

Fire Chief Paul Bourgeois

Finance Director Roger Wood

#### Background/Discussion:

One of the largest expense challenges faced within the development of the Tentative Fiscal Year 2017 / 2018 Revenue and Expenditure Budget is the unexpected increase in the District's Employer (ER) PSPRS contributions rate. The District was informed in late December 2016 that its ER contribution rate was increasing from 20.88% to 29.1%, or a 39.37% increase. The PSPRS ER contribution rate increase created an additional expense burden on the District in FY 2017 / 2018 of an estimated \$576,000.

Late on Friday, May 9, Jared Smout, PSPRS Administrator, responded to an email sent by Staff asking for insight into the possible impact and timing of H2485 that was signed by the Governor on May 3. The bill would allow agencies like the District to elect to change the actuarial years for PSPRS from 20 to 30 years to lower employer contribution costs.

Subsection B of H2485 states "an Employer may make a one-time election to request that the Board use a closed period of not more than thirty years if the Employer meets both of the following requirements:

1. The Governing Body of the Employer adopt a Resolution requesting the longer amortization period and specifying the actuarial valuation date for which the new amortization period is to begin. The actuarial valuation date chosen must be the system's fiscal year end either immediately before or immediately after the date of the Resolution.
2. The Employer submits a written request for the longer amortization period along with the adopted Resolution to the Administrator of the (PSPRS) Board.

Mr. Smout's response was ***"There is the potential to have the amortization period extended before June 30 to have your July 1, 2017 rate decreased. I have been discussing this with John Flynn and should have some more information available in the next week or so."***

As a result, Staff is postponing the delivery of the Tentative Budget for FY 2017 / 2018 for a couple weeks to determine the true impact of H2485. The thought is the change in the District's PSPRS ER contribution rate could significantly lower the current budget imbalance, and quite possible eliminate the imbalance altogether.

Logically, the District's Board has until July 3rd at the latest to approve the Tentative Budget for FY 2017 / 2018 and still provide for the statutory 20-day public viewing and comment period, resulting in the opportunity to



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approve the FY 2017 / 2018 budget on July 31. That would give Staff 24 hours to deliver the requisite budget documents to the Pinal and Maricopa County Boards of Supervisors on August 1.

**Staff Recommendation:**

N/A

**Financial Impact:**

N/A

**Enclosure(s):**

N/A

**Recommended Motion:**

N/A



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**Governing Board Meeting – May 17, 2017**

**Agenda Item: 7**

**BOD#: 2017-05-09**

**Agenda Item Title:**

Discussion and updated regarding any information pertaining to PSPRS or the PSPRS SFMD Board.

**Submitted By:**

Fire Chief Paul Bourgeois

Board Clerk Gene Gehrt

**Background/Discussion:**

This is a standing item to update the board on any changes or information regarding the PSPRS system or the SFMD PSPRS Board.

**Staff Recommendation:**

N/A

**Financial Impact:**

N/A

**Enclosure(s):**

N/A

**Recommended Motion:**

N/A



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**Governing Board Meeting – May 17, 2017**

**Agenda Item: 8**

**BOD#: 2017-05-10**

**Agenda Item Title:**

Senior Leadership Team & Labor Reports

- Management Services
- Emergency Services
- Administrative Services
- Community & Financial Services
- Superstition Firefighters

**Background / Discussion:**

This item is for the fire chief and his staff to share information with the board of items occurring within, or related to, the fire district. Any item shared is for information only. Upon request of the board, any item shared during this agenda item may be moved to the agenda for future meetings. Board discussion, other than clarifying questions, cannot occur and no action, position, or direction may occur until the specific item is placed on the agenda.

**Governing Board Meeting – May 17, 2017**

**Agenda Item: 9**

**BOD#: 2017-05-n/a**

**Agenda Item Title:**

Announcements

**Background / Discussion:**

The BOD and staff may share and discuss items to be placed on future BOD agendas.

**Governing Board Meeting – May 17, 2017**

**Agenda Item: 10**

**BOD#: 2016-05-11**

**Agenda Item Title:**

Adjournment

**Recommended Motion:**

*"Motion to adjourn the board meeting."*



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## Appendix A

### A. Board Meeting Minutes from April 19, 2017

**Submitted By:**

Fire Chief Paul Bourgeois  
Board Secretary Jasmin Jones

**Background / Discussion:**

The board meeting minutes of the previous meeting(s) are provided for the BOD to approve. If the BOD would like to discuss the minutes, they may be removed from the consent agenda. After approval, minutes are signed by the Clerk of the Board and kept as the official public record.

**Financial Impact/Budget Line Item:**

N/A

**Staff Recommendation:**

Staff recommends approval of April 19, 2017 board meeting minutes.

**Enclosure(s):**

April 19, 2017 Board Meeting Minutes



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# Superstition Fire & Medical District

Phone (480) 982-4440 ~ [www.sfmd.az.gov](http://www.sfmd.az.gov)

**Administration Office**  
565 North Idaho Road  
Apache Junction, AZ 85119  
Fax (480) 982-0183

**Regional Training Center**  
3700 East 16<sup>th</sup> Avenue  
Apache Junction, AZ 85119  
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**Fleet & Facilities Services**  
1455 East 18<sup>th</sup> Avenue  
Apache Junction, AZ 85119  
Fax (480) 983-7443



## Governing Board Meeting Minutes April 19, 2017

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 WEDNESDAY, APRIL 19, 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 5:30 P.M.

### A. Call to Order

Chairman Cross called the meeting to order at 5:30 P.M.

### B. Pledge of Allegiance

Pledge of Allegiance was led by Clerk Gehrt.

### C. Roll Call

Chairman Jeff Cross, Clerk Gene Gehrt, Director Todd House, Director Jason Moeller, and Director Larry Strand as present.

Senior Leadership Team in attendance: Fire Chief Paul Bourgeois, Assistant Chief Jerome Schirmer, Assistant Chief Brett Broman, Assistant Chief Mike Farber, and Finance Director Roger Wood.

Legal Counsel Donna Aversa and Executive Assistant acting as Board Secretary Jasmin Jones were also present for the meeting.

## 1. Review and approval of the March 2017 financial reports and bank reconciliations. (BOD #2017-04-01)

**Motion** by Director House to approve the March 2017 financial reports and bank reconciliations. **Seconded** by Director Strand.

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

## 2. Recognition of employee performance, achievements, and special recognition for community members. (BOD #2017-04-02)

Assistant Chief Broman read the list of April service anniversaries: Fire Captain / Paramedic Mark Gomez (24 Years). Fire Engineer / Paramedic Mitch McCollough (18 Years), Fire & Life Safety Specialist Tina Gerola (13 Years), and Executive Assistant Jasmin Jones (13 Years).

## 3. Call to the Public. (BOD #2017-04-n/a)

N/A

## 4. Consideration and possible approval of all consent agenda items listed below (BOD #2017-04-03):

- A. Board Meeting Minutes from March 15, 2017

**Motion** by Clerk Gehrt to approve consent agenda items for April 19, 2017. **Seconded** by Director House.

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

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**5. Discussion and update regarding the pilot program for data collection approved at the March 15, 2017 BOD Meeting – BOD #2017-03-04. (BOD #2017-04-04)**

Fire Chief Paul Bourgeois introduced this item to the Board of Directors, regarding the pilot program with EvinceMed that was approved at the March 15, 2017 BOD meeting. He invited SFMD Firefighter Ryan Elowe and Greg Denton representing EvinceMed to provide an update to the board.

Mr. Denton thanked the board for approving the pilot program, which will help our citizens and our first responders alike. Key items discussed were the following:

- Data provided 37% more information to first responders with medication history, which assisted Paramedics with the care of patients
- EvinceMed has contacted ImageTrend (SFMD's records management system), they spoke about pricing as well as the importance of the implementation of this innovative program.
- Phase II of the pilot will be to engage the community – to have citizens enter their medication history themselves as a preventative action to assist first responders.

Firefighter Ryan Elowe discussed his experience riding along to capture calls for the pilot program

- Criteria used was first name, last name, date of birth, gender, and zip code – with this information it brought up the patient's medication history and assisted Paramedics in the field.
- Information helped with response times to allow Paramedics to diagnose in the field or on the way to the hospital.
- Wait time after entering criteria only 5-10 seconds

Mr. Denton briefly discussed possible proposals for pricing with ImageTrend and stated that because the SFMD was the flagship for the pilot, he would work with ImageTrend to offer lower pricing. More information will follow and be presented to the BOD within the next few months.

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**6. Discussion, presentation, and update regarding the preliminary FY 17/18 budget planning process. (BOD #2017-04-05)**

Fire Chief Paul Bourgeois updated the BOD on the status of the 2017/2018 budget development process. Summary of points discussed:

- March 20<sup>th</sup> Work Session, deficit was roughly \$478,000 – as promised went back to work to bring the deficit down.
- Budget planning for FY 17/18 began in late 2016, and including budget forecasting – which is done on a regular basis.
- The forecast that was shared with the board in January 2017 and showed a deficit of \$1.7 million, due to items out of the district's control (Prop 117, PSPRS, etc.). Staff continued to work with Budget Managers and Labor to lower the deficit.
- Call to Action – January 2017 Labor and SLT began addressing items:
  - Ambulance Revenue – Intermedix was not living up to their promises or the expectations of the SFMD. Intermedix was receptive and worked diligently with staff (Billy Warren and Mike Farber), to shore up their deficiencies. Improved revenue increased the subsidy to the 150 fund, this netted FY 16/17 and 17/18 \$700k in the right direction.
  - Better than expected NAV – 4.64% increase versus the 2% projected, this was an improvement of \$300k towards the deficit.



- Budget Managers reduced expenditures in 16/17 – stopped spending immediately. Worked aggressively to cut items from the 17/18 budget as well. There was \$109,000 cut in the 16/17 budget from the 100 fund and \$700,000 from the 150 fund.
- Items leveraged against the 150 fund, employers cost to Worker’s Comp, reduction of conference and training, fleet wages and operating costs, and reduction to 100 dispatch fees.
- Items reduced which created an additional \$450,000 of extra revenue – prevention overtime, reduction in community services overtime, multi-media operating costs.
- Better cash flow – able to fund the 17/18 ELBO payout to employees
- Increased financial revenue with an additional \$50,000
- All efforts resulted in a savings of \$1.4 million

Budget Manager’s spoke regarding the items they reduced to help with the budget deficit.

Division Chief Rick Ochs summarized some of the areas reduced – overtime accounts for non-contracted special events, EMS training, fire operational training, officer development, special operations, and fire ops training. Reduction to accounts for equipment and supplies – fire ops training equipment, fire ops training tools & supplies, special ops equipment, special ops operating expenses, and EMS parts & supplies.

Chief Ochs, went on to explain that even with the reduction to these programs, the Regional Training Center (RTC) is significantly growing. Valley departments utilize the SFMD RTC because of the innovative and professional resources we have available, for instance the RTC is a Certified Command Training Center (CTC) for the Blue Card Program. The Virtual Incident Command Center (VICC) training that our department is fortunate to participate in is covered under a regional grant.

Chief Ochs briefly explained the EMS parts and supplies accounts and how if the item is over the \$5,000 threshold it can be taken out of the 200 Fund, most items that are over the threshold cap are on the Capital Replacement Schedule. Chief Ochs fielded questions and comments from the board.

- Director House asked if some of these items could be taken out of the Capital Fund. Chief Ochs and Chief Bourgeois stated that items that are over the \$5000 cap could be taken out of the fund. Clerk Gehrt verified that is where the override initiative monies are going. The Chief’s agreed.

Fleet Supervisor Vaughn Croshaw spoke about the items he cut from his budget. He spoke about the mechanic/apparatus ratio used regionally. With SFMD’s fleet, it is recommended to have 3.5 mechanics, however, we also take care of Florence Fire’s fleet which adds additional apparatus. Mr. Croshaw went on to explain that because he had a mechanic resign, it does leave the shop compromised. This will create overtime if that position is not replaced, as well as more down time for the apparatus.

Mr. Croshaw briefed the BOD on the Florence IGA and what options there are. He stated, if the mechanic position does not get filled, possibly cutting ties with Florence Fire would be the best bet. However, that would still leave the SFMD shop short at times as well. He went on to say, revising the Florence IGA to update the rates charged will off-set costs for the additional mechanic position. Finance Director Roger Wood walked the BOD through the cost analysis of costs being off-set by the Florence IGA.

- For a fully loaded year for a mechanic (all benefits included), it would be roughly \$65k, offset by the Florence IGA of \$17k
- With a third mechanic, the overtime costs and outside repair costs would diminish.
- Net affect taking everything into consideration would be \$28,900
- The first year would be roughly three fourths of that cost because they would not begin until the October timeframe

Chief Bourgeois stated that in the past year when the shop was compromised, Vaughn would come in and work non-stop, nights, weekends, and holidays. He went on to say, we do not want Vaughn to work non-stop and burn out, it is not fair to him or his family. That will mean an increase to the down time on trucks,

balancing the work of the shop on the shoulders of Vaughn to that extreme is not viable. Chief Bourgeois stated that SLT and Labor both advocate to replace the mechanic.

Chief Bourgeois and Mr. Croshaw fielded questions from the BOD regarding the ratio and filling the vacancy of the mechanic.

Comments from the BOD included – Director House stated, *“We had fire trucks and we had SCBA’s and fire trucks fall apart because we didn’t have good mechanics, now we do.”* He went on to say, *“We have to have efficient quick and good equipment, it is an item we can’t overlook”* Clerk Gehrt, and Director Strand echoed his sentiments. Chief Bourgeois stated that when the budget is brought back to the BOD, there will a position for mechanic.

Battalion Chief Rich Mooney walked the BOD through the health, wellness, and safety accounts that he reduced to assist with the cost saving measures. The monies budgeted will go towards repairs of fitness equipment to maintain the status quo. Chief Mooney also explained the safety items that need to be purchased, for example the Personal Protective Gear (PPE) for firefighters. These items are important for the health and safety of firefighters.

Chief Mooney went on to explain that reductions in training for the fitness trainers, originally it was planned to send firefighters to training, so there would be two fitness trainers on each shift. However, at the direction of the board at the March 20<sup>th</sup> work session, all training – with the exception of Company Officer Training was cut. The plan is to have the current certified trainers, train other members – they would then be able to assist on each shift. These members will not be certified, however, they will adhere to the same strict guidelines the certified trainers do. Chief Mooney also discussed annual exams, and the importance to keep this item for the safety and well-being of our members.

Director Strand, stated, *“It sounds like most of what you guys do, is for them, those guys over there in the corner, to keep them alive, well, and happy, and strong. I don’t see a reason to cut any of your stuff, that is necessary stuff, with safety of the public.”*

Assistant Chief Jerome agreed and thanked Director Strand and reminded him that fitness coordinators participate in injury prevention. He also concurred that everything we do is for our members in the field, their safety, their productivity, their ability to come to work, to do their job, and to go home safely to their families. He went on to explain that with data, life threatening conditions have been identified and that the annual physicals that are performed are necessary to assist with the well-being of our members.

Chief Bourgeois summarized by saying that the cuts that were discussed were highlights of some of the items budget managers cut. He fielded questions and comments from the board.

Director House Comments:

- *“All the employees of this fire district are very valuable and important, and good friends of mine.”*
- *“The last couple of years, we have been struggling to do a budget. We have been struggling to patch this thing together and having a hard time to make ends meet to do this. A lot of these factors are out of the control of the fire district.”*
- *“A lot of stuff that we have been doing is robbing peter, no pun to pay Paul.”*
- *“The primary functions of this fire district is to put out fires, and provide EMS.”*
- *“I have been looking, checking out, and figuring out what we can do, a couple of things come to mind. This district survived many years with only two assistant fire chiefs, we didn’t have an HR person, we didn’t have two IT people. It seems like we added a lot to administration.”*
- *“We cannot cut firefighters pay, and we will move forward with leaning out the system for what we have to do. I don’t have worry, I only have a year and a half on the board.”*
- *“I would like to have a special meeting to make meaningful cuts that are sustainable.”*
- *“We need to bite the bullet, make some changes, make some cuts, and keep in mind what our due diligence is for this district and that is to provide fire coverage and EMS.”*

- *"We need to have a meeting to get together to look at some of the salaries of some of the administrative staff and see if those are essential to the district, see if those are essential pieces to making this district work."*
- *"I would like the board to sit down to come up with a three year budget forecast, I have heard that it wouldn't be fair, we do them at the county. I don't think that is asking too much."*
- *"The school, is not coming forward on the training center, we have invested a lot of money in the training center, a lot of money goes to the training center, and I understand training is very important."*

Director Moeller:

- *"That might be something that we don't want to do and might not be the best for some people."*
- *"If we get a three year forecast of the worse possible, yearly budgets don't give us information, because we are hoping for the NAV to go up and PSPRS to go down, I think if we just go with the worst case scenario and something around that, it would help us out in the long run."*

Director Strand

- *"In my corporate world experience, they used the word top heavy a lot of times, you have to go after the top so the guys that do the work are available to do the work."*
- *"We look a little top heavy here and we are spending money on things that we can do without."*
- *"I have some friends that have been in the fire business in California, whose chiefs drive their own vehicles."*

Clerk Gehrt

- *"We definitely need to look three to five years out and get some estimates to see where we are going, I believe we are in a valley right now. I believe that the valley is getting better instead of worse, but it would be very good for us for a planning perspective."*

Chairman Cross

- *"I would say that as far as the forecasting goes, I would imagine that we would be doing that after this budget cycle."*

Chief Bourgeois went on to summarize items that are unknown variables that we don't have numbers for this year – medical insurance, ambulance revenue, grant and possible co-pays for grants, ASRS ruling, PSPRS relief. He went on to discuss the positives we have to look forward to, like the passing of the temporary override thanks to the community, the board, and the labor group for their support, and new construction in our district boundaries. Chief Bourgeois stated that this fiscal year is challenging this budgeting season, we had an early identification that this year would be difficult and began working on the budget planning in 2016. Staff has substantially reduced expenditures and increased cash, the plan is to still bring a balanced budget to the board without cutting any employee wages, benefits, or positions.

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## **7. Discussion and presentation regarding the importance of the Blue Card Program. (BOD #2017-04-06)**

Assistant Chief Jerome Schirmer introduced this item to the board. He walked the board through the importance of blue card training and the subscription, not only for our members, but for the community as a whole. With other budget cuts to training and resources, this program is vital for everyone involved. The subscription to the Blue Card Certification Program, allows for continued education through repetition so members can keep their skills sharp. Continuing education is an in depth process, both on-line and hands on training.

Chief Schirmer reminded the board that during the budget discussion, members of the board brought forward the importance of firefighting and the skills firefighters perform. The Blue Card Certification Program is a records management system, teaches modern fire behavior technology, simulation training, communications training, situational awareness training, accountability training, incident command training, line of duty death prevention and mayday prevention. Unfortunately, the fire service, including the SFMD is not immune to a

tragedy on the fireground. The primary goal, which began two years ago, is to have all of the chief officers, company officers, and any member who may be in an acting roll certified.

Director House stated that *“he was done with the Blue Card Program”*, he thinks that it is nice that a lot of people have been trained. He went on to say that he knows training is important, but he can’t see paying for the subscription service at \$8,000 for training.

Fire Chief Paul Bourgeois, reminded the board that Blue Card Training is not about Chief Schirmer, it is about our customers and our firefighters, it is command training.

Chief Schirmer expanded on the importance of Blue Card Certification Training for the safety of our firefighters in the field – our firefighters deserve to go home to their families after fighting fires. He then went through a Line of Duty Death Report to show the common theme of a tragedy of that magnitude, they included – training, incident command training, communications, accountability, and situational awareness on the fireground. Chief Schirmer explained the importance of practicing and repeat when it comes to incident command training and modern fire behavior. He stated, as an Operations Chief, trying to facilitate the safety and the effectiveness of the firefighters on the fireground is the most important thing. When it comes to money, a life of any of our members is priceless, not participating in this training would be a tragedy for our organization. He then fielded comments and questions from the board.

Director House stated he was offended by Chief Schirmer’s comments.

Chairman Cross stated that he hopes that we are selected for the regional grant that was applied for which included Blue Card Certification Training. He went on to say that because of the other cuts to training at our training facility, this program could be done in-house at their stations and the RTC at a reasonable cost.

Clerk Gehrt stated that we did have quite a bit of training to begin with, he really thinks that this is life safety type training and it has proven its value.

Director Moeller inquired the number of people that were trained on each shift. Chief Schirmer stated that about 90% of the company officers are trained, however, the subscription is for continued education and is updated on a regular basis with up to date safety information.

Captain Joe Garcia explained to the board that the training has proven to be essential. He stated that because of the training he can predict what his captain is going to do and they too can predict what he will do or say being incident command number two. Previously, when the Blue Card Program was not utilized, it cost precious time trying to figure out what and why an interior crew was performing like they were.

Director House stated we survived as a fire district without the training previously, we can survive without it again. He would be in favor making a motion if we received the grant. Director Moeller stated if we got the grant he would also support the program.

Chief Schirmer stated that the benefits of this program is non-quantifiable, because if one member of our department is saved from a tragedy on the fireground, there is no money value there. Members have already seen the benefit on the fireground, two of the most recent fires had flashover circumstances, but because our members are trained on modern fire behavior from Blue Card, they were able to prevent a tragedy.

Director House asked Chief Schirmer to not *“go in to fear mongering”* and that if he was about to eliminate rattlesnake pick-ups from the community, *‘Blue Card was the least of his worries’*.

Legal Counsel Donna Aversa, reminded the board that this item was just for informational purposes and discussion only. It would be premature to make any decisions regarding the program at this juncture.

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## **8. Discussion and possible action regarding out of district responses. (BOD #2017-04-07)**

Fire Chief Paul Bourgeois introduced the item to the BOD and asked for Planning & Technology Administrator Anna Butel to present to the board.

Ms. Butel briefly summarized to the board the record's management system, including ImageTrend and how call information is pulled out for statistical purposes. She went on to explain that querying these areas are difficult, because they are not final typed as a specific call type and there usually isn't an address attached to the calls. Ms. Butel summarized the following for a 40 month timeframe.

- US 60 / Queen Valley / Superior / Globe / Florence
  - 13 Incidents (3 EMS, 1 No Incident Found, 5 MVA, 1 Freight Vehicle Fire, 2 Public Service, 1 Grass Fire)
- Apache Trail (SR88)
  - 5 Incidents (2 MVA, 1 Special Outside Fire, 2 Injured Hiker)
- Technical Rescue Team (TRT) Response / Rural Metro / PCSO / MCSO / DPS
  - 5 Incidents (4 TRT, 1 EMS)
- Industrial Park
  - 2 Incidents (MVA's)
- Tonto Forrest Estates
  - Zero Incidents
- Arizonian
  - 44 Incidents (44 SFMD Transports, 10 CCU263)

Mr. Butel and Chief Bourgeois fielded questions and comments from the board regarding out of district response, including transporting patients out of the district's CoN area. Transportation Services Manager Billy Warren reminded the board, that there is a Mutual Aid Agreement in place with AMR, which allows the SFMD to transport patients outside of the CoN. Director House inquired about a subscription rate for ambulance services. Mr. Warren and Chief Bourgeois stated that is on the radar and something that will be developed in the near future.

Chief Bourgeois summarized the data and state the senior leadership team will develop an approach to hand out of district response and present to the board after the budgeting season.

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## 9. Discussion and possible action regarding snake removal calls. (BOD #2017-04-08)

Fire Chief Paul Bourgeois brought this item to the board. He went on to summarize snake removal call statistics for the past two years,

- 261 – 139 calls
- 262 – 191 calls
- 263 – 167 calls
- 264 – 526 calls
- 265 – 422 calls
- SFMD Total – 1445

Chief Bourgeois went on to explain that there are 723 snake calls a year, just in dispatch fees alone, that is **\$19,146.25** per year. This total does not include labor cost, the wear and tear on the apparatus, or the complications of breaking up a crew or sending a three person crew to service that call type. Chief Bourgeois fielded questions and comments from the board.

Director Moeller inquired who would handle snake calls if crews did not respond to pick them up, he was under the impression that Parks and Rec would have to retrieve snakes.

Assistant Chief Jerome Schirmer responded by stating that a snake was an eminent danger or a hazard to our citizens, if there was a snake inside their home or threatening them in any way, crews would still respond. However, if the caller states that the snake was not a threat, dispatch would handle those calls in the same manner as bee calls, in this instance they would give the caller the Herpetological Society information to have

the snake removed. This is also what our partners to the west (Gilbert and Mesa) handle snake removal calls as well.

Director Strand asked, *“Are you saying we don’t want the have snake removal action for these boys?”* He then went on regarding a story about snake removal in Denver Colorado and how their fire department does not remove snakes either.

Chairman Cross stated that with the dispatch fees alone being almost \$20k a year, that doesn’t include fuel, crews being out of service, wear and tear on the trucks, that total can almost double per year when you factor in all of the items. He went on to say, that if the board is concerned about spending \$8,000 to renew an important program like the Blue Card Subscription for training purposes – the safety and wellbeing of our firefighters, we need to look at snake calls. It is a great service that we provide our citizens and crews would still come out if there was a threat, however, there are other avenues that citizens can take to have a snake removed when they are not causing a threat.

Captain Jon Williamson spoke from the audience that he takes his crew down to two people, because he would not send a firefighter out to pick up a venomous snake alone. While they are gone on the call, that compromises the front line crew to two persons. Chairman Cross stated that is even more unacceptable.

Director House sated that he would like to discuss this more with senior leadership and labor to find out how much of an inconvenience it really is to pick up a snake and what kind of priority they put on these calls. He said it doesn’t look overwhelming, but the safety or our people in the district is something he wants to work on.

Chairman Cross reminded the board that just in dispatch fees only the number is staggering, and if we need to hire a mechanic in the next fiscal year, \$20k would be a way to recoup the costs.

Clerk Gehrt stated that he would support cutting this before he would support cutting the Blue Card Program. Chief Schirmer agreed and stated the safety of our firefighters is paramount.

**Motion** by Chairman Cross to cease the snake removal program and to direct staff to begin an aggressive public informational/educational campaign to provide alternative resources for our citizens. **Seconded** by Clerk Gehrt.

**Vote** 2 ayes (Cross, Gehrt), 3 nays (House, Strand, Moeller). **MOTION NOT PASSED.**

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#### **10. Discussion and possible action to determine tax and temporary override funds rates for FY 17/18. (BOD #2017-04-09)**

Finance Director Roger Wood introduced this item to the board explaining that an updated capital replacement schedule had been handed out. He stated this schedule is a planning tool to assist the district with forecasting the budget. Mr. Wood stated that the district was fortunate enough to have the voters come to our need and voted in favor of the temporary override funds. The monies raised will go directly into the 200 fund, which is utilized for capital items. He went on to explain that when a balanced budget is presented to the board this schedule shows what needs to be purchased in the 17/18 budget. The items that will be purchased in the next fiscal year are things that assist with the infrastructure, i.e. CPU’s, servers, etc. Mr. Wood and Chief Bourgeois fielded comments and questions from the board.

Director House asked for clarification at our current rate was \$3.25, \$.22 GADA Bond, and \$.25 for the special assessment (if voted by the board). Mr. Wood agreed and stated that in the near future, the special assessment for the GADA Bond will be able to lower because of interest rates.

Chairman Cross asked for verification on the special assessment rate for the temporary override fund, if the full \$.25 was approved for the entire 5 years. Mr. Wood stated that for forecasting purposes he has assumed 2.5% increase in the NAV to stay conservative and in the 5 year timeframe the 200 fund would have an additional \$5 million for capital items.

**Motion** by Director House to approve the tax rate of \$3.25 with the general fund, \$.25 for the special assessment related to the temporary override initiative, and \$.22 special assessment related to the 2006 GADA bond development for the tentative budget for fiscal year 2017/2018. **Seconded** by Director Strand.

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

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#### **11. Discussion, update, and possible action regarding PSPRS. (BOD #2017-04-10)**

Finance Director Roger Wood introduced this item to the board regarding the Hall versus PSPRS case verdict. He went on to explain that the reduction from 11.65% to 7.65%. This change is for employees who were hired on or before July 20, 2011.

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#### **12. Senior Leadership Team and Labor Reports (BOD #2017-04-11)**

##### Management Services Report

- Working with Mayor Serdy, planning a town hall event
- Wrapping up 16/17 Operational Plan
- Planning for 17/18 Operational Plan
- Administrative Professionals Day
- Flat Iron Park Grand Opening

##### Emergency Services Report

- Training Update
  - Driver's Training
  - Pediatric Emergency based Training
- Operations Update
  - Wilandland briefing at the State Capitol – Mark Gomez and Mitch McCollough represented the SFMD
  - Busy month – 981 Incidents
  - Low Acuity Update – Staffed 14 days, averages 8 to 9 calls in a 24 hour period
- Transportation Services Update
  - 435 Transports

##### Administrative Services Report

- National Telecommunicators Week – visited AJPD and the Mesa Regional Dispatch Center
- American Legion Americanism Dinner – FFOY Ryan Elowe
- New Hire Orientation for Transportation Services
- Mock Crash – April 27<sup>th</sup>
- April Pool's Day – April 29<sup>th</sup>

##### Community & Financial Services Report

- Transportation Billing Update
- ASRS Update

##### Labor Report

- April – Fill the Boot Month
  - LM working on MOU
- 

#### **13. Announcements (BOD #2017-04-n/a)**

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#### **14. Adjourn (BOD #2017-04-12)**

**Motion** by Director House at 7:54 PM to adjourn the meeting. **Seconded** by Clerk Gehrt.

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

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**Governing Board Approval:**

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Gene Gehrt, Board Clerk

*Jasmin Jones*



## Appendix B

### B. Executive Session Board Work Session Minutes from May 1, 2017

**Submitted By:**

Fire Chief Paul Bourgeois  
Board Secretary Jasmin Jones

**Background / Discussion:**

The executive session board meeting minutes of the previous board meeting are provided for the BOD to approve. After approval, minutes are signed by the Clerk of the Board and kept as the official public record per ARS for executive session minutes.

**Financial Impact/Budget Line Item:**

N/A

**Staff Recommendation:**

Staff recommends approval of May 1, 2017 executive session board work session minutes.

**Enclosure(s):**

N/A – Executive Session Minutes are Confidential



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## Appendix C

### C. Board Work Session Minutes from May 1, 2017

**Submitted By:**

Fire Chief Paul Bourgeois  
Board Secretary Jasmin Jones

**Background / Discussion:**

The board meeting minutes of the previous meeting(s) are provided for the BOD to approve. If the BOD would like to discuss the minutes, they may be removed from the consent agenda. After approval, minutes are signed by the Clerk of the Board and kept as the official public record.

**Financial Impact/Budget Line Item:**

N/A

**Staff Recommendation:**

Staff recommends approval of May 1, 2017 board work session minutes.

**Enclosure(s):**

To be provided at the May Board Meeting



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**Go to Agenda**



# Superstition Fire & Medical District

Phone (480) 982-4440 ~ [www.sfmd.az.gov](http://www.sfmd.az.gov)

**Administration Office**  
565 North Idaho Road  
Apache Junction, AZ 85119  
Fax (480) 982-0183

**Regional Training Center**  
3700 East 16<sup>th</sup> Avenue  
Apache Junction, AZ 85119  
Fax (480) 982-3268

**Fleet & Facilities Services**  
1455 East 18<sup>th</sup> Avenue  
Apache Junction, AZ 85119  
Fax (480) 983-7443



## Governing Board Work Session Minutes May 1, 2017

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, MAY 1, 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 5:00 P.M.

### A. Call to Order

Chairman Cross called the meeting to order at 5:00 P.M.

### B. Pledge of Allegiance

Pledge of Allegiance was led by Director Moeller.

### C. Roll Call

Chairman Jeff Cross, Clerk Gene Gehrt, Director Todd House, Director Jason Moeller, and Director Larry Strand as present.

Senior Leadership Team in attendance: Fire Chief Paul Bourgeois, Assistant Chief Jerome Schirmer, Assistant Chief Brett Broman, Assistant Chief Mike Farber, and Finance Director Roger Wood.

Legal Counsel Donna Aversa and Executive Assistant acting as Board Secretary Jasmin Jones were also present for the meeting.

## 1. Executive Session pursuant to ARS §38-431.03(A)(3) for discussion or consultation for legal advice with an attorney for the District. (BOD #2017-05-01)

**Motion** by Director House at 5:02 PM to go into Executive Session pursuant to ARS §38-431(A)(3) for discussion or consultation for legal advice with an attorney for the District, in regards to the budget. **Seconded** by Chairman Cross

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

**\*\*Back in Regular Session at 6:35 PM. Chairman Cross reminded everyone that items discussed in the executive session is confidential up to returning to regular session.\*\***

## 2. Discussion regarding the strategic planning of the FY 17/18 budget. (BOD #2017-05-02)

Fire Chief Paul Bourgeois introduced this item to the board, stating that staff had updates regarding medical insurance, Florence IGA, and a rate increase for ambulance service.

Assistant Chief Brett Broman discussed the following key items regarding medical insurance:

- Initial discussions with United Healthcare came back with a 15.6% increase through negotiations, their final number dropped to a 12% increase— staff began looking at other cost saving providers – with similar benefits.

- The district's broker came back with the United Firefighter's Trust Plan (Tempe Fire) – initial discussions being there would be a rate pass.
- Information regarding the plan was shared with Labor, still waiting to hear back their opinion.

Chief Broman fielded questions from the board:

- Director House inquired if the benefit package would be the same. Chief Broman reiterated that the plan was different, however, similar benefits for our members.
- Director House inquired if Labor had been given the information, Chief Broman again reiterated that Labor is apprised of the plan and staff is waiting to hear their opinion.

Finance Director Roger Wood updated the board regarding the Florence IGA:

- Walked the board through a fully loaded cost (includes labor, benefits, wages, benefit contribution, social security, Medicare, worker's compensation, cell phone, building variables, etc.).
- Current IGA per hour is \$67.00, (61% profit margin), updated pricing is \$73.00 per hour (76% profit margin) and a surcharge of 10% on parts.
- There will be a negotiation with Florence once the IGA is drafted and approved by our board. The current IGA ends on 6/30/17, there is a 30 day obligation to notify Florence if we no longer agree to the terms of the agreement.

Mr. Wood fielded questions from the board:

- Chairman Cross asked Mr. Wood the cost of a new mechanic to the FY 17/18 budget. Mr. Wood stated that the first year, with the assumption of hiring a mechanic on or around the beginning for the new year, there would be roughly a \$23,000 increase to the FY 17/18 budget.

Chief Bourgeois and Mr. Wood updated the board on an ambulance rate increase:

- Our Transportation Services Division has been operating for over 15 months, have a better grasp on the payer mix, better understanding on where we stand in the industry.
- Initial rates were set the same as Southwest Ambulance, the difference being we created a fully loaded rate.
- The basis for the rate increase is to break even for the district – even with a higher rate, Medicare will still only pay a fixed rate and 60% of our population is on Medicare. Medicare also only updates their rates once a year.
- Will draft the information and meet with DHS to see where they stand before submitting the full information.
- The rate increase is not added in the FY 17/18 budget because there is no guarantee that DHS will grant the increase.

Chief Bourgeois, Mr. Wood, and Transportation Services Manager Billy Warren fielded questions from the board:

- Chairman Cross asked how long it would take to get the rate increase approved. Mr. Warren stated, 90 days to be on the safe side. He also stated that once the increase takes place he would watch the amounts coming in from Medicare and Medicaid closely to make sure there won't be any short pays.
- Chairman Cross asked an estimate of the amount it would bring in and if it was done not for a full year, would it bring in less? Mr. Wood stated everything we would bring in would be on the upside, for a full year it would be an estimate of an additional \$400,000.

Chief Bourgeois and staff summarized the items discussed by members of staff and the budget information:

- Current budget position is \$303,499 out of balance, items included
  - FY 17/18 ELBO at \$191,355
  - 3<sup>rd</sup> Mechanic
  - M&O Grants with matching funds
    - VICC Grant – 15% Match
    - Community Risk Reduction (Fall Program) – 5% Match

Board members were confused by the Financial Reserve and the Capital Reserve, both Director House and Chairman Cross were under the impression that staff wanted to utilize Financial Reserve monies to shore up the budget shortfall. Chief Bourgeois and Mr. Wood answered their questions, and corrected them by stating what staff has presented through the budget planning process was if there was a budget shortfall, the money would be pulled from the Capital Reserve (200 Fund) to shore up the amount. This would be monies before the approved override money is collected and goes into the 200 Fund. The override monies approved by the tax payers would be used for Capital items as stated during the educational campaign.

Mr. Wood spoke briefly about the district's cash flow, and how it is much different than years past because of the ambulance service. He also explained to the board the history on the approved line of credit. That is utilized at times from July 1<sup>st</sup> through late September, when tax revenue starts coming in.

Director House asked for an update on PSPRS and ASRS. Mr. Wood stated that the PSPRS reform is currently waiting for the Governor to make a decision, that may assist with balancing the budget. The ASRS that was brought up at the last meeting does not have any impact on our district after doing research on the matter.

Director Moeller asked staff what the worst case scenario would be. Mr. Wood stated, the top four items that are a major factor with budgets are medical insurance, PSPRS, the NAV, and the ambulance rate increase. Those are the items that change greatly even with a small incremental percentage change. He went on to explain, that he is aware that the board is looking for a forecast and that after this budgeting year, it would be easier to forecast once the PSPRS is settled and the rate increase is determined.

Chairman Cross inquired about new builds within the district. Mr. Wood walked him through some new builds he is aware of and how those items will not hit the tax roll for approximately 18 months out. Chief Bourgeois stated that some of the fire districts were able to see a higher than 5% NAV on new construction for the first year, he went on to say that the new Fry's would be something to watch to see if the first year is higher than the 5% prop 117 allows.

Director House stated that he would like to see the benefit package remain the same – he does not want to lose any benefits by switching carriers. Chief Broman stated that with the current increase with United Healthcare at 12.5%, that would be an additional cost to the budget of \$116,000.

Chairman Cross thanked everyone for their hard work and stated that he was sure there would be changes within the next couple of months to the budget. Chief Bourgeois stated if there were changes, they would be small and incremental, unless there is reform for PSPRS.

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### **3. Call to the Public. (BOD #2017-04-n/a)**

#### **Bob Ross (address redacted)**

*"Probably about six months ago, you guys came to our meeting and NP five, talked about the override, you guys got the override, we were under the impression that is all you would need. Not even six months or so and you guys are in the hole again. Um, I have my own business, and the things I do know about business is the profit has to be a little bit over more than the overhead to survive. Your profit is not your overhead is not profit. The profit is not seeing it, its taxpayer. I don't like my tax, is going to go a couple hundred bucks because this override. I figure, ok you gotta eat it. But now you are back down into this again.*

*If this was a private business, you'd have, you'd have come in its either you're gonna have to fold because your overhead is high, or you gonna have to do something. Now, most of the time, business, they get rid of middle management, now I have looked and we have probably 98 firemen here, under department, we got three assistant chiefs, Mesa has much more than us, and they have three. So how do we warrant that? You know you are talking about, you don't even know, what is going to happen here, this is all contention upon all the stuff. Well, maybe there is another alternative, maybe we do have to do some cutting. I don't want to see any of the grunts here, I don't want to see any of these guys, these guys are the ones that save our life, they are in*

*the field. But, we might want to think about that, if this is a corporation, middle management would be in any office talking right now.*

*You know, you are talking about, houses being built there, look how many built in Maricopa. Maricopa County has taxes that are 50% less than ours. How come our taxes are so high? And how come they are running such an efficient job over there. You know if our taxes were down here, we would have a lot more builders down here, we'd have a lot more development in here. You know a lot of people come over here and hear what our taxes are and they go right across the border. So, that's why, you guys ought to think about that. I have run a business for twenty five years, I have twenty five men I 18 trucks on the road, I go through the Carter administration, which is death, ok. And I knew that my overhead was getting higher than profit. I had to do lay-offs, that's all there is to it. It is either that or just shut the door. Yes, things got better years later and I, I hired, but the way you are talking here now, it sounds like a funeral.*

*You know you guys gotta do some other stuff, you, you, how many times can you go into the well and tax, and tax people that own homes here. You know, and then you go right across the line over the here and they don't have that problem. So maybe we should start unloading some stuff. I understand we got a lot of money tied up in video, what are we doing with that? You know, you guys got to look at the bottom line before you decide to buy something, before you decide to spend something. Before you decide to do something, before you decide to buy trucks. You know we got, there is gonna be mechanics here, these guys can keep so much stuff running longer, that is why we did the override with you guys. That didn't do anything, we need to, we need to extend some stuff. That's what I did, when I was in business, I stop leasing trucks. I let the leases go a little bit longer, because I knew there was gonna be a problem. You guys, know it is going to be a problem, you guys are looking around and you don't even know what you are doing. You don't know what to do.*

*Well if this works out, this will happen, if this works out, maybe this will happen, but if it doesn't we don't know what else to do. Well, you know what you better put some people on the chopping block, better do something, cause this is nonsense, this is crazy."*

**Dan Homrath (address redacted)**

*"I'd just like to say um, it seems that there are an awful lot of questions, a lot of data that hasn't really been answered yet. And um, it seems like it is a little early to ask for an override. You know, I realize there is a lot of very important people here, nobody wants to lose their job. Um, but sometimes going back to, well I think we probably all have pretty good idea of what happened, um, during the um school board override. You know why those have all failed, because they asked for too much down there at the CAC. Sometimes people just get fed up, and don't want to pay no more taxes. Thank you."*

**Bill Kell (address redacted)**

*"Mr. Ross expressed mostly what I was going to say, the only thing is, I am going to say, I am a former accountant I think that you guys need to look at every single department and look at is this an absolute necessary item, if it isn't then get rid of it. It's not a, it's not emotional, it is a financial decision. Get rid of it if you don't need it, it is time. Thank you sir."*

**Rob Lee (NOT PRESENT)**

**Hugh McLaughlin (address redacted)**

*"Thank you very much for the opportunity here, I um, a former bureau brat, a federal bureau brat, I feel the pain trying to do budgets. Trying to work it out here, and it can be pretentious, there is no doubt about that, and so I will just, I feel your pain. One, my reason for being here, is this is a small community and we have firefighters out here, boots on the ground if you will. It is important to me and my family, that those people remain in place, ok. When it comes to laying off people, the rumor that is going around now, that you know*

*you take them off the bottom. Unfortunately, I have been down that cycle myself with the federal government. And nothing else, it cripples an organization for laying off the people that are actually doing the work. So, going along with these other folks here, you folks, you people, please find some way to fix this. You're the closest ones that can do it, you're the management, you're in charge of this organization. And to these folks, don't chop off the bottom, you will pay for it down the road. I will pay for it down the road and I don't want to do that. I want to be able to dial 911 and get help. I know that you folks over there, used to be these people. But, you are not going to be the ones coming to my house to help me. Thank you very much."*

Chairman Cross thanked everyone for their comments.

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#### **4. Adjourn (BOD #2017-05-03)**

**Motion** by Director Strand at 7:12 PM to adjourn the meeting. **Seconded** by Clerk Gehrt.

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

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#### **Governing Board Approval:**

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Gene Gehrt, Board Clerk

*Jasmin Jones*

## Appendix D

### D. Town of Florence, IGA Renewal

#### **Submitted By:**

Fire Chief Paul Bourgeois  
Fleet Supervisor Vaughn Croshaw

#### **Background / Discussion:**

SFMD has provided Town of Florence with apparatus maintenance services for an hourly fee for several years, and the current IGA automatically renews on July 1, 2017 if no action is taken by either party. However, SFMD Fleet Services staff has developed a new 3-year IGA that reflects the following changes:

- Hourly rate increases to \$73.00 per hour from the previous \$67.00 per hour.
- Overtime hourly rate increases to \$110.00 from the previous \$100.00 per hour.
- A 10% surcharge on parts has been added to the new IGA, with an annual cap of \$6,000.
- Increased the liability protection in the IGA by stipulating that Florence Fire carry insurance on their vehicles in case of damage that might occur while their vehicles are being worked on at SFMD's Service Center.
- The inclusion of an annual hourly price escalator of up to 3% per year of the IGA term, with no additional Governing Board or Town Council approval needed by either party.

#### **Financial Impact/Budget Line Item:**

TBD

#### **Staff Recommendation:**

Staff recommends the approval of the Florence Fire IGA with an effective start date of July 1, 2017.

#### **Enclosure(s):**

Town of Florence IGA for Fire Apparatus Maintenance



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## **INTERGOVERNMENTAL AGREEMENT**

Repair and Maintenance of Fire Apparatus and Equipment

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Between

The TOWN of FLORENCE, ARIZONA,  
a municipal corporation of the State of Arizona

And

The SUPERSTITION FIRE & MEDICAL DISTRICT,  
a political subdivision of the State of Arizona

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DATED AS OF July 1, 2017

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**INTERGOVERNMENTAL AGREEMENT  
FOR  
REPAIR AND MAINTENANCE OF  
FIRE APPARATUS AND EQUIPMENT**

This Agreement is entered into effective as of July 1, 2017 by and between the Town of Florence, a municipal corporation of the State of Arizona (“Town”), and the Superstition Fire & Medical District, an Arizona fire district existing pursuant to the authority of Title 48, Chapter 5 of the Arizona State Revised Statutes (“SFMD”) and collectively referred to as the Parties.

**RECITALS**

Whereas, the Parties each are authorized to provide fire and emergency medical services and each have fire and rescue apparatus, fleet vehicles, and equipment reasonably necessary to perform those services (collectively the “apparatus”); and

Whereas, SFMD has a Fleet Maintenance Division directly supervised by a Fleet Services Supervisor, employs Emergency Vehicle Technicians (“EVTs”), uses fleet maintenance software tracking, and has specialized tools for the diagnostics, repair, and maintenance of its own apparatus and from time to time has provided repair and maintenance of the Town’s apparatus; and,

Whereas, SFMD is familiar with the Town’s apparatus; and

Whereas, Town is familiar with SFMD’s Fleet Maintenance Division; and

Whereas, Town desires SFMD to provide repair and maintenance on the Town’s apparatus; and

Whereas, SFMD has capacity to provide the Town with repair and maintenance services on the Town’s apparatus; and

Whereas, each Party has determined that it is its best interests and mutually beneficial for SFMD to provide the Town with repair and maintenance services upon the terms and conditions as set forth in this Agreement; and

Whereas, it is the desire of SFMD and the Town to jointly exercise their powers pursuant to A.R.S. Sec. 11-952 and 48-805(B) to enter into an intergovernmental agreement for fleet maintenance services to be provided by SFMD to Florence Fire upon the terms and conditions as set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises, terms and conditions contained herein, the Parties hereby agree as follows:

1 *Recitals.*

- a. The Recitals set forth above are incorporated into the terms and conditions of this Agreement.

2 *Effective Date and Duration.*

- a. This Agreement shall be effective on the 1<sup>st</sup> day July, 2017 and shall continue in full force and effect until the 30<sup>th</sup> day of June, 2020.
- b. This Agreement may be renewed by either party for up to two successive three year terms provided the Parties mutually agree upon any changes to the rate schedule within 90 days of the expiration of then current term.
- c. Either Party may cancel this Agreement with sixty (60) days written notice to the other Party.
- d. In the event of a material breach of any of the provisions in this Agreement, the non-breaching Party may terminate this Agreement by delivering written notice to the breaching Party specifically stating the nature of the breach giving the breaching Party 30 days to cure the breach. If the breach is not cured, this Agreement shall be deemed terminated.
- e. In the event either Party fails to appropriate funds based on a reasonable determination by that Party that there are insufficient funds to meet its obligations under this Agreement, the non-appropriating Party shall immediately provide written notice to the other Party and then shall have the right to terminate the Agreement effect as of the last day of the fiscal period for which funds are legally available.
- f. Upon cancellation or termination for any reason, Town shall pay SFMD all sums due and owing at the time of cancellation.

3 *Budget.*

- a. Each Party represents that it has within its respective budget, sufficient funds to discharge the obligations and duties assumed under this Agreement. Should either Party fail to obtain continued funding during the term of this Agreement through a failure of appropriation or approval of funds, or through other legal means, then this Agreement shall be deemed to terminate by operation of law.

4 *Obligations of the Town.*

- a. The Town shall pay SMFD for labor, parts, mileage and any other applicable costs as invoiced pursuant to the fee schedule then in effect. Payment from the Town shall be due and payable to SFMD within 30 days of invoice.
- b. The Town shall be responsible to deliver its apparatus to and pick up from SFMD's Fleet Service Center located at 1455 E. 18<sup>th</sup> Ave., Apache Junction, AZ.
  - i. In the event the Town cannot or does not deliver its apparatus to SMFD, the Town shall pay costs incurred by SFMD in obtaining and returning the Town's apparatus at the hourly rate then in effect plus \$2 per mile travel costs for any SFMD service truck.

- c. The Town shall provide SFMD a list of Town personnel who are authorized to approve repair and maintenance work from SFMD.
- d. The Town shall provide SFMD prompt notification of any additions to or reductions from the Town's apparatus.
- e. The initial rate schedule for work done by SFMD under this Agreement is as follows:
  - i. Labor Rate: Monday – Thursday from 7 a.m. to 6 p.m. (excluding holidays) \$73.00/hr.
  - ii. Labor Rate: All other times \$110.00/hr.
  - iii. Parts and materials  
Cost plus 10% handling charge
  - iv. For the first year of this Agreement, the Town's handling charge for parts shall be capped at \$6,000.00.
- f. The labor rates as set forth above may be increased by an amount up to 3% annually as mutually agreed upon by the Parties prior to July 1 of each year.

5 *Obligations of SFMD*

- a. At its Fleet Services Center, SFMD will perform routine repairs and maintenance for the Town's apparatus as may be requested by the Town as needed on a 24-hour basis seven days a week.
- b. SFMD will provide the Town with the same service standards and priority for out of service front line apparatus that would be expected of SFMD's own apparatus. In addition, non-emergency repairs shall be assigned the appropriate priority at the discretion of SFMD's Fleet Supervisor. Ultimately, the prioritization of the service on all apparatus shall be at the discretion of SFMD's Fleet Supervisor.
- c. SFMD will promptly notify the Town of any repairs that fall outside SFMD's technician or shop equipment capabilities that would require outsourcing of the needed repairs
- d. SFMD will perform repair and maintenance services consistent with manufacturers recommended maintenance schedules and applicable NFPA guidelines.
- e. Repair and maintenance services will be performed by EVT certified technicians.
- f. On an as needed basis, SFMD will provide repair and maintenance at the Town's facility located in Florence for apparatus that is not drivable or otherwise cannot be delivered to SFMD's Fleet Services Center.
- g. In providing repair and maintenance services for the Town, SFMD in its sole discretion may, from time to time, obtain assistance or subcontract; however, in the event the cost of outside assistance exceeds \$1,000, SFMD shall obtain the consent of the Town.
- h. SFMD shall maintain records of repairs and maintenance on the Town's apparatus on SFMD's computerized records system and shall provide the Town monthly summaries of the work.
- i. SFMD shall provide the Town monthly invoices based on the rate schedule then in effect.

6 *Indemnification.*

- a. SFMD shall defend, indemnify, and hold harmless Florence Fire, its officers, agents, employees, elected and appointed officials, and volunteers, from and against all actions, lawsuits, losses and expenses (including court costs, expenses for litigation, and reasonable attorney fees), damages, claims, or other liabilities of any kind ("Liability") resulting from or arising out of this Agreement and/or SFMD's performance hereunder (including, without limitation, Liability on account of any injury, sickness, disease, or death of any person or damage, destruction, or loss of any property). The obligations of this indemnification provision shall not apply in the event that any such Liability is found to have resulted from the negligence or intentional misconduct of Florence Fire.
- b. The Town shall defend, indemnify, and hold harmless SFMD, its officers, agents, employees, elected and appointed officials, and volunteers, from and against all actions, lawsuits, losses and expenses (including court costs, expenses for litigation, and reasonable attorney fees), damages, claims, or other liabilities of any kind ("Liability") resulting from or arising out of this Agreement and/or SFMD's performance hereunder (including, without limitation, Liability on account of any injury, sickness, disease, or death of any person or damage, destruction, or loss of any property). The obligations of the foregoing indemnification provision shall not apply in the event that any such Liability is found to have resulted from the negligence or intentional misconduct of SFMD.
- c. The obligation to indemnify survives the termination of this Agreement.

7 *Insurance.*

- a. Each Party represents that it shall maintain for the duration of this Agreement, sufficient policies of public liability insurance covering all of its obligations undertaken in the implementation of this Agreement.
- b. The Town is solely responsible for maintaining insurance on its apparatus to cover any damage that might occur while apparatus is being transported to or from SFMD or while being repaired by SFMD. SFMD is not responsible for personal property left on or in the Town's apparatus.

8 *Notices.*

- a. All notices or demands required under this Agreement from either Party to the other shall be in writing and shall be deemed to have been given when the notice is delivered in person or on the date deposited in the U.S. Mail addressed as follows:

**TO SFMD:**

Fire Chief  
Superstition Fire & Medical District  
565 N. Idaho Road  
Apache Junction, AZ 85119  
(480) 982-4440

**TO TOWN:**

Town Manager  
Town of Florence  
P.O. Box 2670

Florence, AZ 85232  
(520) 868-7500

9      *Miscellaneous.*

- a. Each Party warrants that prior to signing this Agreement, all of its internal procedures; rules and regulations have been complied with. The signing of this Agreement constitutes a binding agreement.
- b. Failure of any Party to strictly enforce any provisions hereunder shall not constitute a waiver of rights to demand strict performance of that, or any other provisions hereof at any time hereafter.
- c. The terms and conditions of this Agreement are separate and severable. If for any reason, any Court of law or administrative agency should deem any provision hereof invalid or inoperative, the remaining provisions of this Agreement shall remain valid and in full force and effect.
- d. Neither the employees of SFMD shall become employees of the Town nor shall the employees of the Town become employees of SFMD by virtue of this Agreement. Nothing in this Agreement shall be construed to create any partnership or joint venture between the Parties.
- e. Pursuant to A.R.S. Section 38-511, either Party may cancel this Agreement for conflict of interest.

10     *Compliance with Legal Authorities.*

- a. The Parties shall each be responsible for their respective compliance with all requirements of any federal, state, county or local ordinances, statutes, charters, codes, rules, regulations, or any other governmental requirements including, but not limited to, the rules and regulations of the Arizona Department of Health Services.
- b. This Agreement is subject to all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act, including 28 CFR Parts 35 and 36. The Parties to this Agreement shall comply with Executive Order Number 2009-09 issued by the Governor of the State of Arizona and incorporated herein by reference regarding "Non-Discrimination."
- c. Each Party shall comply with the notice provisions of A.R.S. § 23-1022(e). For purposes of A.R.S. § 23-1022, each Party shall be considered the primary employer of all personnel currently or hereafter employed by that Party, irrespective of the incident command protocol in place, and said Party shall have the sole responsibility for the payment of workers' compensation benefits or other fringe benefits of said employees.
- d. This Agreement and all documents and instruments executed in furtherance hereof may be amended or supplemented only by an instrument in writing, signed by the Parties against which enforcement thereof may be sought.
- e. Titles and headings of the paragraphs contained herein are solely for the purpose of convenience and are not intended to in any way affect, control or limit the meaning or application of any such paragraph.
- f. Words and expressions used herein shall be applicable according to the context and without regard to the number or gender of such words or expressions.

- g. The Parties acknowledge and agree that no representations, warranties, or covenants have been made to, or relied upon by them, or by any person acting for or on their behalf, which are not fully and completely set forth herein. This Agreement supersedes any terms, conditions, covenants or other documents or agreements between the Parties
- h. This Agreement has been negotiated by the Parties and no Party has acted under compulsion or duress, economic or otherwise. The Parties waive any rule of interpretation which would construe any provision of this Agreement against any Party who drafted this Agreement.
- i. This Agreement and all documents and instruments executed in furtherance hereof, and the rights and obligations of the Parties hereunder, shall be construed and enforced in accordance with, and shall be governed by, the laws of the State of Arizona, statutory and decisional, in effect from time to time, without giving effect to principles of conflicts of law. All Parties consent to personal jurisdiction in Arizona, and venue for any action to enforce this Agreement shall be in Pinal County, Arizona.

IN WITNESS WHEREOF, the Parties hereto caused this Agreement to be executed this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

TOWN OF FLORENCE

\_\_\_\_\_  
By: \_\_\_\_\_

Its: \_\_\_\_\_

SUPERSTITION FIRE & MEDICAL DISTRICT

\_\_\_\_\_  
Chairman of the Board

The foregoing Intergovernmental Agreement between the Town of Florence and the Superstition Fire & Medical District has been reviewed pursuant to A.R.S. § 11-952 by the undersigned, who have determined that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona to those Parties to the Intergovernmental Agreement represented by the undersigned.

\_\_\_\_\_  
Donna Aversa  
Attorney for  
Superstition Fire & Medical District

\_\_\_\_\_  
Attorney for  
The Town of Florence

## **Appendix E**

### **E. Medical Provider Insurance Change (UHC – UFHCT)**

#### **Submitted By:**

Fire Chief Paul Bourgeois  
Assistant Chief Brett Broman

#### **Background / Discussion:**

As discussed at the April 19th BOD meeting, negotiations have been taking place between Benefit Logic and various medical insurance providers to identify the best rates. In working with labor representatives, a decision was made to go with the United Firefighters Health Care Trust (UFHCT-Tempe Plan) who contracts with Blue Cross Blue Shield. This plan includes a \$750/\$1500 Co-Pay Plan, \$1500/\$3000 HSA Plan, and a \$2600/\$5200 HSA Plan.

#### **Financial Impact/Budget Line Item:**

2.89% increase over current - \$26,896

#### **Staff Recommendation:**

Staff recommends the approval of joining the United Firefighters Health Care Trust

#### **Enclosure(s):**

United Firefighters Health Care Trust Information



**Go to Appendix F**

**Go to Agenda**



BCBSAZ/UFHCT Copay Plan 3
\$387.38
\$937.45
\$1,413.93
\$524,308.44
\$19,433.64
3.85%
Per Pay Period
\$178.79
\$432.67
\$652.58
\$750 / \$1500
\$2500 / \$5000
\$20 / \$40
10% After Deductible
\$75
\$250
\$5/\$20/\$35

BCBSAZ/UFHCT Alt HSA Plan 2	BCBSAZ/UFHCT HSA Plan 1
\$307.57	\$335.10
\$744.32	\$810.93
\$1,122.63	\$1,223.09
\$432,234.24	\$470,917.08
\$7,461.96	\$46,144.80
1.76%	10.86%
Per Pay Period	
\$141.96	Per Pay Period
\$343.53	\$154.66
\$518.14	\$374.28
	\$564.50
\$2600 / \$5200	
\$4000 / \$8000	
0% After Deductible	\$1500 / \$3000
0% After Deductible	\$3000 / \$6000
0% After Deductible	10% After Deductible
0% After Deductible	10% After Deductible
\$5/\$15/\$30 After Ded.	10% After Deductible
	\$10/\$30/\$50 After Ded.
\$956,542.68	
\$26,895.60	
2.89%	

## Appendix F

### F. Principal Insurance Group (Dental Insurance) Addendum

#### **Submitted By:**

Fire Chief Paul Bourgeois  
Assistant Chief Brett Broman

#### **Background / Discussion:**

The District currently provides dental benefits to its employees through Principal Financial Group. Benefit Logic, the District's benefits broker, has negotiated new rates for FY 2017 / 2018 as follows:

- Preferred Provider Organization (PPO) coverage – 4.0% increase in monthly rates
  - Employee: \$27.61 per month
  - Employee & Spouse: \$56.10 per month
  - Employee & Child(ren): \$73.28 per month
  - Family: \$107.21 per month
- Dental HMO (DHMO) coverage – 3.0% increase in monthly rates
  - Employee: \$10.92 per month
  - Employee & Spouse: \$21.72 per month
  - Employee & Child(ren): \$ 28.39 per month
  - Family: \$ 32.75 per month

These benefits can be purchased by District employees through a payroll deduction and the use of their Benefit Dollars.

#### **Financial Impact/Budget Line Item:**

Financial impact is dependent on the number of employees who select dental coverage. Cost to the District is reflected in the Benefit Dollars provided to the District employees.

#### **Staff Recommendation:**

Staff recommends the approval of the addendum.

#### **Enclosure(s):**

Principal Financial Group Renewal Letter (PPO)  
Employer Dental Services / Principal Financial Group Renewal Letter (DHMO)



**Go to Appendix G**

**Go to Agenda**

Account Number: 1054610

Anniversary Date: July 1, 2017



May 20, 2017

SUPERSTITION FIRE & MEDICAL DISTRICT  
ATTN: DONNY LE  
565 N IDAHO RD  
APACHE JUNCTION, AZ 85119

BENEFIT LOGIC INC  
2321 N 4TH ST  
FLAGSTAFF, AZ 86004

As you approach your upcoming renewal with Principal Life Insurance Company, we would like to thank you for your business over the past year. Our goal is to offer competitive benefit solutions supported with exceptional service. Your business is very important to us and we look forward to working with you over the next year.

#### Your Renewal

Your renewal rates can be found on the following pages. Your Principal Life coverage will renew on your policy anniversary date of July 1, 2017.

#### How to Renew Coverage

To renew coverage, your payment of the premium due is acceptance of your rates. We look forward to continuing our relationship with you and fulfilling your needs in the coming year.

#### Take Advantage of Discounts

You may be able to take advantage of the Principal Life **Multiple Product Discount** when at least three qualifying coverages are in force. A strong and competitive benefit offering will help you retain quality employees.

#### Contact Us

To inquire about this renewal, explore alternate benefit designs or learn more about other available coverage(s) contact your broker or local Principal Life Insurance Company sales office at 602-957-3031.

Sincerely,

Group Benefits Underwriting  
Specialty Benefits Division

**RENEWAL RATES**  
**Effective July 1, 2017**
**DENTAL**

Renewal rates are guaranteed through June 30, 2018.

**ALL MEMBERS**

	<b>Lives</b>	<b>Current Rates</b>	<b>Renewal Rates</b>	<b>Current Monthly Premium</b>	<b>Renewal Monthly Premium</b>
Employee	39	\$26.55	\$27.61	\$1,035.45	\$1,076.79
Employee & Spouse	18	\$53.94	\$56.10	\$970.92	\$1,009.80
Employee & Child(ren)	10	\$70.46	\$73.28	\$704.60	\$732.80
Family	29	\$103.09	\$107.21	\$2,989.61	\$3,109.09
<b>TOTAL</b>				\$5,700.58	\$5,928.48
<b>Renewal Premium Percent of Change</b>					<b>4.0% Increase</b>

**Renewal Premium Percent of Change.** The renewal premium percent of change is based on information presented in this letter.



Principal Life Insurance Company  
 Des Moines, Iowa 50392  
 © 2013 Principal Financial Services, Inc.

## Employers Dental Services

A member of



### RENEWAL LETTER

April 15, 2017

Superstition Fire & Medical Dist  
Attention: Employee Benefits  
565 N Idaho Road  
Apache Junction, AZ 85119

Dear Benefits Coordinator:

Employers Dental Services (EDS) is pleased you have chosen us from the many dental plans available in the market. Thank you for your continued business. Your contract is scheduled to renew.

Group Name	Superstition Fire & Medical Dist
Group Number	18717
Renewal Month	July 1, 2017
Contract Dates	July 1, 2017 – June 30, 2018
Renewal Rates	
Employee Only	\$10.92/Month
Employee + Spouse	\$21.72/Month
Employee + Child(ren)	\$28.39/Month
Employee + Family	\$32.75/Month
Administration Fee	\$0.00/Month
Schedule of Benefits	EDS100N
Open Enrollment Period	June 1 – 30, 2017
Agent(s)	Benefit Logic Inc Principal Dual Option

EDS Account Manager	Deborah Rosales	
Phone and Email Address	(602) 266-3424 x198	<a href="mailto:drosales@mydentalplan.net">drosales@mydentalplan.net</a>

You do not need to sign and/or return anything if you are renewing your coverage.

Reminder: A copy of the *Dental Care Insurer Appeals Process* is available upon request and outlines the member's rights as an EDS member. Contact EDS to receive a copy. We welcome the opportunity to answer your questions.

Please call or email if I can be of assistance.



## **Appendix G**

### **G. Henry & Horne, LLP Engagement Letter**

#### **Submitted By:**

Fire Chief Paul Bourgeois  
Finance Director Roger Wood

#### **Background / Discussion:**

Arizona Revised Statutes 48-251 and 48-253 require special taxing districts with a budget greater than \$1 million prepare an annual financial report and file the report with the Board of Supervisors for Pinal and Maricopa counties within 240 days of the end of the fiscal year. The audit firm must be independent and must not be affiliated with the district. The audit must be performed by a certified public accountant or someone trained as an auditor.

The District may advertise and use a competitive bidding process or may select an auditor as the service is a “professional service” and not subject to bidding requirements.

The District selected Henry & Horne LLP to conduct previous fiscal years’ audits as the result of a competitive bid selection process. It is Staff’s position that retaining Henry & Horne LLP provides efficiencies that warrant the continued relationship. Henry & Horne LLP is familiar with the District’s structure, and has provided advice on various items such as Transport revenue recognition and the necessity of a single audit for grant activity.

Henry & Horne’s quote to perform the FY 2016 / 2017 audit is \$16,500, with \$14,000 related to the 100 General Fund and \$2,500 related to the 150 Transport Fund. These amounts are included in the FY 2017 / 2018 Tentative Budget.

Staff recommends the District retain Henry & Horne to conduct the FY 2016 / 2017 audit with the stipulation that the audit be completed no later than January 5, 2018. This date is important as it gives Staff an opportunity to have the audit approved by the Governing Board at the January 17th Board meeting, and provides sufficient time to file the required paperwork with Pinal and Maricopa counties on time.

#### **Financial Impact/Budget Line Item:**

Financial impact is expected to be \$16,500 which is within budgeted parameters of the FY 2017 / 2018 Tentative Budget.

#### **Staff Recommendation:**

Staff recommends the approval of the engagement letter.

#### **Enclosure(s):**

Henry & Horne, LLP Engagement Letter - Under Seperate Cover



**Go to Item 5**

**Go to Agenda**

April 28, 2017

Board of Directors and Paul Bourgeois, Fire Chief  
Superstition Fire & Medical District  
656 N. Idaho Rd.  
Apache Junction, AZ 85119

We are pleased to confirm our understanding of the services we are to provide Superstition Fire & Medical District for the year ended June 30, 2017. We will audit the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information, which collectively comprise the basic financial statements of Superstition Fire & Medical District as of and for the year ended June 30, 2017. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Superstition Fire & Medical District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Superstition Fire & Medical District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Schedule of the District's Proportionate Share of Net Pension Liability Cost-Sharing Pension Plans
- 3) Schedule of Changes in the District's Net Pension Liability (Asset) and Related Ratios Agent Pension Plans
- 4) Schedule of District Pension Contributions
- 5) Notes to Pension Plan Schedules
- 6) Budget Comparison Schedule – General Fund

We have also been engaged to report on supplementary information other than RSI that accompanies Superstition Fire & Medical District's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and we will provide an opinion on it in relation to the financial statements as a whole either in a separate written report accompanying our auditors' report on the financial statements or in a report combined with our auditors' report on the financial statements.

- 1) Combining Budgetary Comparison Schedules – Capital Projects Fund
- 2) Combining Budgetary Comparison Schedules – Other Nonmajor Fund

### **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of Superstition Fire & Medical District and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Superstition Fire & Medical District's financial statements. Our report will be addressed to the Board of Directors of Superstition Fire & Medical District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance.



### **Audit Objectives (Continued)**

The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that Superstition Fire & Medical District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards may not satisfy the relevant legal, regulatory, or contractual requirements.

### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

### **Audit Procedures—General (Continued)**

At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Superstition Fire & Medical District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

### **Other Services**

We will also assist in preparing the financial statements and related notes of Superstition Fire & Medical District in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

## **Management Responsibilities**

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, if any, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

### **Management Responsibilities (Continued)**

Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services (including but not limited to those listed below) by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

- Preparing financial statements and related notes and management's discussion and analysis;
- Proposing entries affecting the financial statements;
- Preparing Governmental Accounting Standards Board Statement No 34, *Basic Financial Statements - and Management's Discussion and Analysis – for State and Local Governments*, conversion entries;
- Preparation of the Data Collection Form on the Federal Clearinghouse website

### **Engagement Administration, Fees and Other**

Marilyn Mays, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

### **Engagement Administration, Fees and Other (Continued)**

Our fees for this engagement are not contingent on the results of our services. Rather, our fees for this engagement will be based on our standard hourly rates, which vary according to the degree of responsibility involved and the experience level of the personnel assigned to your engagement. In addition, you agree to reimburse us for any of our out-of-pocket costs incurred in connection with the performance of our services.

We estimate that our fee for these services will be approximately \$16,500. You acknowledge that this estimate is not a limit to the total fees we may charge for our services, and that our fees may actually exceed that estimate. However, in the event that we encounter unusual circumstances that would require us to expand the scope of the engagement, and/or if we anticipate our fees exceeding the aforementioned estimate, we will adjust our estimate, and obtain your prior approval before continuing with the engagement.

Our fees and costs will be billed monthly, and are payable upon receipt. Invoices unpaid 30 days past the billing date may be deemed delinquent, and are subject to a 1.5% delinquency charge per month. In the absence of a written objection to any invoice within 30 days of the invoice date, you will be deemed to have accepted and acknowledged, as correct, the services rendered as described in the invoice and the value thereof.

We reserve the right to suspend our services or to withdraw from this engagement in the event that any of our invoices are deemed delinquent (if not paid within thirty days of the invoice date). In the event that any collection action is required to collect unpaid balances due us, you agree to reimburse us for our costs of collection, including attorneys' fees. If we elect to terminate our services for nonpayment, or for any other reason provided for in this letter, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended, and to reimburse us for all of our out-of-pocket costs, through the date of termination.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

### **Engagement Administration, Fees and Other (Continued)**

You are responsible to notify us in advance of your intent to reproduce our report for any reason, in whole or in part, and to give us the opportunity to review any printed material containing our report before its issuance. Such notification does not constitute an acknowledgement on our part of any third party's intent to rely on the financial statements. With regard to financial statements published electronically on your internet website, you understand that electronic sites are a means to reproduce and distribute information. We are not required to read the information contained in your sites, or to consider the consistency of other information in the electronic site with the original document.

It is our policy to retain engagement documentation for a period of seven years, after which time we will commence the process of destroying the contents of our engagement files. To the extent we accumulate any of your original records during the engagement, those documents will be returned to you promptly upon completion of the engagement, and you will provide us with a receipt for the return of such records. The balance of our engagement file, other than the audited financial statement, which we will provide to you at the conclusion of the engagement, is our property, and we will provide copies of such documents at our discretion and if compensated for any time and costs associated with the effort.

In the event we are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our hourly rates, for the time we expend in connection with such response, and to reimburse us for all of our out-of-pocket costs incurred in that regard.

In the event that we are or may be obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, then to the extent that such obligation is or may be a direct or indirect result of your intentional or knowing misrepresentation or provision to us of inaccurate or incomplete information in connection with this engagement, and not any failure on our part to comply with professional standards, you agree to indemnify us, defend us, and hold us harmless as against such obligations.

You agree that any dispute (other than our efforts to collect an outstanding invoice) that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement that we have performed for you, will, prior to resorting to litigation, be submitted to mediation, and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall be administered by The American Arbitration Association, according to its mediation rules before resorting to litigation. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

### **Engagement Administration, Fees and Other (Continued)**

Any litigation arising out of this engagement, except actions by us to enforce payment of our professional invoices, must be asserted within one year from the date any such cause of action accrues, or within three years from the completion of the engagement, whichever is earlier, notwithstanding any statutory provision to the contrary.

This engagement letter is contractual in nature, and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If you would like us to provide you with any other services not specifically outlined in this engagement letter, you must make that request of us in writing. If we agree to provide the requested additional services, we will create a separate engagement letter specifically addressing the same, and that engagement letter, upon your signature, will govern our provision of those additional services.

Prior to preparation and execution of this engagement letter, we discussed with you the fact that we provide clients with services specifically focused on identifying and addressing weaknesses in internal controls (internal control review), and on searching for the existence of fraud within your company (fraud audit). We further explained the additional costs associated with such different levels of service. After consideration of such services, you have informed us that you wish to retain us to perform only the audit services described in this letter.

It is not the policy of this firm to voluntarily disclose to third parties any non-public information obtained from or about your District during or as a result of this engagement absent your express consent to do so. Indeed, as professionals, we are obligated to preserve the confidential nature of such information in our possession. However, such information may not be protected from disclosure by an absolute privilege, and therefore, we may be compelled by law or legal process, with or without your consent, to produce documents or testify about facts and circumstances that have come into our possession, or become known to us, during or as a result of this engagement. You should consult with legal counsel to obtain a thorough understanding of the extent and limitations of the confidentiality of information in our possession.

### **Engagement Administration, Fees and Other (Continued)**

You agree that you will not use our firm's name or the name of an employee of the firm in a communication containing a financial presentation without the written permission of our firm. If you do use our firm name or the name of an employee of the firm in a communication containing a financial presentation, you agree to include our report or a disclaimer on the financial presentations that we so specify. Further, you agree to provide us with a printer's proof or master of any document that contains our firm name or the name of an employee of the firm and a financial presentation for our review and approval before printing of the document. You also agree to provide us with a copy of the final reproduced material that contains either our firm's name or the name of an employee of the firm and a financial presentation(s) for our approval before it is distributed.

During our engagement, certain members of our staff will be assisting you. If you offer one of our staff working on your engagement employment and they choose to accept, we would incur a significant fee to find replacement personnel, and therefore, we would expect reimbursement for such costs. Customarily, the fee approximates 25 – 35% of the first year's salary. In the event that you do hire one of our staff, you agree to reimburse 25% of the first year's salary for the placement service.

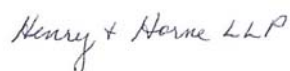
In addition, to ensure that Henry & Horne, LLP's independence is not impaired under the AICPA *Code of Professional Conduct*, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2016 peer review report accompanies this letter.

We appreciate the opportunity to be of service to Superstition Fire & Medical District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

If the foregoing is in accordance with your understanding, please sign the copy of this letter in the space provided and return it to us.

Very truly yours,

A handwritten signature in cursive script that reads "Henry & Horne LLP".

Casa Grande, Arizona



Superstition Fire & Medical District  
April 28, 2017  
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RESPONSE:

I am currently the \_\_\_\_\_ for Superstition Fire & Medical District and I have authority to execute this agreement on behalf of Superstition Fire & Medical District. I agree that this letter correctly describes the terms and conditions under which your firm agrees to perform services for Superstition Fire & Medical District and the objectives as well as limitations of the services requested by Superstition Fire & Medical District that your firm has agreed to perform.

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Signature

Date