



# Superstition Fire & Medical District

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## Special Board Meeting Minutes May 26, 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 FRIDAY, MAY 26, 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 4:30 P.M.

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### A. Call to Order

Chairman Cross called the meeting to order at 4:30 P.M.

### B. Pledge of Allegiance

Pledge of Allegiance was led by Director Strand.

### C. Roll Call

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

Senior Leadership Team in attendance: Assistant Chief Jerome Schirmer, Assistant Chief Mike Farber, and Finance Director Roger Wood.

Legal Counsel Donna Aversa was also present for the meeting.

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## 1. Discussion, presentation, and possible action regarding the lengthening of the amortization period for the SFMD's Public Safety Personnel Retirement System (PSPRS) plan. (BOD #2017-05-12)

Finance Director Roger Wood stated that, on May 22, the District had received additional information regarding the potential lengthening of the District's PSPRS plan amortization period from Jared Smout, PSPRS Administrator. According to the information received, if the Board approved lengthening the amortization period to 30 years from the current 20 years, the District's FY 2017 / 2018 employer (ER) contribution rate would drop 3.22% to 25.88% from the current 29.1%. The 3.22% drop in the ER contribution rate would decrease the estimated FY 2017 / 2018 PSPRS cost an approximate \$216,230.

Roger went on to remind the Board that at the May 17 Board meeting, Staff had decided to postpone delivering the Tentative Budget for FY 2017 / 2018 until the impact of lengthening the PSPRS amortization period was known. As a result of the \$216,230 in reduced PSPRS cost, along with improved projected cash balances at FY 2016 / 2017 year-end, Roger stated that Staff would be delivering a balanced budget for FY 2017 / 2018 at the June 21 Board meeting.

Director Strand asked if Roger was supportive of lengthening the amortization period, to which Roger stated he was. Chairman Cross asked if the impact of choosing a 25 year amortization period was known, and Roger read directly from the communication from Mr. Smout "Unfortunately, due to the short period of time available to decide, PSRPS is not able to provide any individual analysis on the effect of a period other than 30 years, nor make individual presentations to the governing body in their efforts to decide." Roger stated his best guess would be that a 25 year period would provide 50% of the reduction in the District's ER rate when compared to the 3.22% reduction related to the 30 year option.

Assistant Chief Mike Farber and Roger both conveyed to the Board that the District always has the option of paying more than the “minimum” amount on any given fiscal year, and that if finances were such that this was possible in the future, the Board could direct staff to budget doing so if they were concerned about the cost of additional interest expense over the extra 10 years of amortization.

Chairman Cross asked John Walka, local Union Vice President, who was in attendance at the Board meeting if Labor had a position on the issue, and John stated no.

**Motion** by Director Strand to approve the lengthening of the district’s PSPRS amortization period to 30 years effective July 1, 2017. **Seconded** by Clerk Gehrt.

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

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- 2. Executive Session for Legal Advice. The Board may vote to go into executive session pursuant to ARS §38-431.03(A)(3) and/or ARS §38-431.03(A)(4) for discussion or consultation for legal advice with an attorney for the District in order to consider the Board’s position regarding contracts that are subject of negotiations, in contemplated litigation, or in settlement discussions to avoid or resolve litigation as related to the Fire Chief’s employment contract, District’s By-Law. (BOD #2017-05-13)**

**Motion** by Clerk Gehrt at 4:42 P.M. 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 Fire Chief’s employment contract. **Seconded** by Director Strand.

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

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**\*\*Back in Regular Session at 7:15 PM. Chairman Cross reminded everyone that items discussed in the executive session is confidential up to returning to regular session.\*\***

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- 3. Adjourn (BOD #2017-05-14)**

**Motion** by Director Strand at 7:16 PM to adjourn the meeting. **Seconded** by Clerk Gehrt.

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

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Governing Board Approval:



Gene Gehrt, Board Clerk

*Roger Wood*