

**Assistant Chiefs**

Brett Broman  
Mike Farber

**Executive Assistant**

Jasmin Jones

**Finance Director**

Roger Wood

**Assistant Chief**  
Jerome Schirmer

Message from Assistant Chief Jerome Schirmer:

My response to Mr. Robert Horn's "Concerning SFMD Chief Bourgeois" published in the local newspapers and social media,

An opinion piece was recently submitted by Robert Horn with numerous misguided personal attacks has compelled me to speak up in an attempt to set the record straight and provide our citizens with facts. I also hope to provide our citizens and tax payers with a context for some of the misinformation being maliciously circulated across our fire district.

I am an Assistant Chief here at Superstition Fire & Medical District and have been part of this team since January, 2014. I'm honored to have had a 32 year career as a fire service professional. I feel qualified to address these issues and accusations because I've been part of the leadership team that has been making these decisions. Some might say that makes me biased. Yes, I'm biased but at least I'm informed with the true facts and I support Fire Chief Bourgeois 100%. I feel extremely honored to work under his leadership since the day I started here.

The greatest inaccuracy being promoted these days is the claim of fiscal mismanagement. While it's true our fire district is struggling right now the people promoting this message always fail to mention the true factors behind the financial challenges of our fire district. They also fail to mention that these same factors are confronting numerous fire districts and fire departments across Arizona and across the country.

Chief Bourgeois came to this fire district in May, 2012, and immediately the question was presented to him whether or not to open our newest fire station – Station 265 in Gold Canyon. Fire Station 265 was built with money from a 2006 bond approved during the tenure of then Fire Chief John Flynn. Station 265 was planned, designed and constructed under the management of Fire Chief Dan Campbell. When Chief Bourgeois arrived in the spring of 2012, the station was built and the eleven firefighters who would help staff it were already in the Mesa Fire Academy. Chief Bourgeois really had no choice but to open this fire station as the tax payers had clearly spoken when they approved the 2006 bond. Simply put, tax payers wanted a new fire station in Gold Canyon so why would we back out on that deal? In May 2012, the chief approved the fire station to open.

The opening of that fire station came with an annual price tag of approximately \$1 million. That cost is closer to \$1.3 million today. These ongoing costs were not funded by the 2006 bond - only its construction.

The opening of station 265 was controversial at the time because the call volume in that area was so low. 265's call volume remains abnormally low today but the complex geography of Gold Canyon justifies a second station in that area simply to keep response times at reasonable levels.

In his letter, Mr. Horn describes "smoke and mirror" tactics of blaming Proposition 117 and tax assessment methods for financial troubles. Allow me to provide some detail to this subject. Prop 117 went into effect July 1, 2015. Proposition 117 turned out to be devastating for fire districts because it changed how property taxes are calculated which in turn changed the way fire districts receive revenue. Prior to Prop 117, fire district revenues were calculated against the Full Cash Value (FCV) of real property. FCV is the higher of the two valuations depicted on your annual property tax statement. After Prop 117 went into effect, tax and revenue calculations were now calculated against the lower assessed value, Limited Cash Value (LCV). This change alone was hard enough on fire districts but Prop 117 also stipulated that despite gains in assessed values, fire districts were restricted to no more than a 5% increase in any given year.

As if these changes weren't challenging enough, they came at a time when assessed values hit all-time lows following the declining economy in a post-recession era. In our district alone, net assessed values (NAV) of all real property decreased 44% between fiscal year 08/09 and fiscal year 13/14, which comes to approximately \$262 million.

Like most other fire districts we braced for the future but with a booming economy and real estate prices on the rise, we and most all other fire districts, reasonably believed we would hit that 5% revenue cap the next several years. After all, market values were increasing, homes were selling and all indicators were that assessed values would follow market values just like they always had.

Despite our optimism for reasonable gains in our NAV, the next two years saw small and disappointing increases in tax revenue. Several Pinal County Fire Chiefs including Chief Bourgeois asked our county assessor for an explanation but one never came. We all had every reason to believe we would be at that 5% revenue cap since our local real estate economies were improving and proponents of Prop 117 told us they would. Fire districts outside Pinal County saw bigger gains than us and other county assessors provided full transparency to their fire chiefs, but not ours. We were left to try to figure this out on our own.

Mr. Horn makes reference to Chief Bourgeois' salary and a salary increase. The employees of Superstition Fire & Medical hadn't received a pay increase in seven years and we felt we had to do whatever we could to provide for the people who provide the service to our community, so we initiated a comprehensive pay study with other valley fire departments and fire districts. This comprehensive pay study encompassed all ranks (from firefighter to fire chief).

Over the next two years we fully implemented major market adjustments for our employees. In some cases these market adjustments amounted to double-digit pay increases which are an indication of how far behind the market our organization was. These market adjustments came with a price tag of roughly \$1 million but it was absolutely the right thing to do. We believe everyone deserves to be paid a fair market wage and that's precisely what we accomplished with this adjustment. These adjustments were unanimously approved by the Fire Governing Board.

At the same time, the Public Safety Personnel Retirement System (PSPRS) hit us with several years of employer cost increases. Over just a few years our employer costs for public safety pensions increased \$1.1 million. This year alone we saw an increase of almost \$600,000. Firefighters and public safety professionals are not to blame for this problem however the burden of fixing this ailing system has been placed squarely on the shoulders of public safety employers such as police, sheriff, fire departments and fire districts.

Mr. Horn accuses Chief Bourgeois of building an organization "that has gone top heavy by adding three Assistant Chiefs". Allow me to clarify. Those positions weren't added. The three positions already existed and were merely reclassified to reflect the type of work being performed. Mr. Horn wishes to compare this with the organization from which he, himself came from years ago, Mesa Fire and Medical. I also came from Mesa Fire and Medical and am familiar with their organizational structure. Yes, Mesa has three Assistant Chiefs, but if he wishes to use them as a comparison he should tell the whole story. Mesa also has ten Deputy Chiefs, SFMD has one. Mesa has approximately 20 Captain and Engineer level personnel working in day positions providing additional administrative support, SFMD has one day Captain working in the Training division. Mesa also has well over 100 full-time civilian staff members working in 40-hour administrative positions. So, it is really difficult to do an apples-to-apples comparison with Mesa. Compared to fire organizations throughout the valley, SFMD is not administratively heavy, and in fact is administratively lean. A much more realistic example of comparison would be Maricopa Fire Department, which has three Assistant Chiefs and four total stations.

Mr. Horn references an override. I assume he is referring to the Temporary Tax Override many of you approved last year. This was an opportunity provided to all Arizona Fire Districts as some relief to the tremendous constraints being caused by Prop 117, as necessary to help generate additional revenues that our normal tax rate could never provide. This money will be set aside specifically for major capital items that insure a safe and reliable emergency response for you and your family. That money goes directly into the capital reserve fund for major equipment purchases such as fire trucks, ambulances, EMS equipment, and firefighter safety gear. This is the same fund Mr. Horn points out that Chief Bourgeois inherited from Chief Campbell, then wastefully spent 7 million dollars on non-essential purchases. Chief Bourgeois also inherited a drastically aging apparatus fleet. New equipment had not been purchased in over 5 years. Yes, since then we have spent 3.5 million on the needed replacement of 3 fire engines, 1 ladder truck, and one tactical tender. We also spent \$900,000 on firefighter SCBAs, firefighter safety turnout gear, cardiac monitors, radios, extrication equipment, EMS gear, and thermal imaging cameras. I would hardly call this wasteful or non-essential purchases. We also invested 2.4 million in the launch of the SFMD ambulance operation with the express intent

of reimbursing this fund over the next 6-10 years. All of these expenditures were unanimously approved and supported by our Fire Governing Board.

Regarding our ambulance operation, it should be pointed out that our organization managed to secure a Certificate of Necessity (CoN) from the Arizona Department of Health Services and establish our very own fire district based ambulance service. Not only were we successful, but we secured our right to operate an ambulance service in only four months at a cost of less than \$40,000! No one else in the state has ever come close to this, it normally takes years and sometimes millions of dollars to obtain a CoN. This ambulance operation helps leverage costs in our Maintenance and Operations budget; costs we would have to bear even without the operation but now it's here and it's helping offset critical expenses and its providing an exceptionally improved service to our community.

Yes, The District occasionally staffs two of our least busy units with three persons at times when our normal staffing runs short, however, Mr. Horn's assertion that the service level has decreased under Chief Bourgeois is again false. There are more firefighters on the street today in the District than any time in our history. Occasional three person staffing is not unique to the SFMD, and in fact occurs across the valley and across the nation on a daily basis. Our normal staffing level is four person on all front line apparatus.

If you go back and calculate the cost of several of these factors you can see how quickly they add up. Some of those the Chief will take ownership on, such as opening Station 265 and giving major pay increases to our hard working employees, but other very expensive factors were neither predictable nor preventable. Despite these challenges Chief Bourgeois has successfully navigated the organization to a balanced and fiscally responsible budget every year and this year is no exception.

In summary, these are the factors Chief Bourgeois and the leadership team have been managing and leading the organization through the past five years. Pension costs have crippled us and Proposition 117 has fallen far short of its campaign promises. In fact, if Prop 117 had lived up to its promises and we had hit the 5% cap during those years of heavy market gains our fire district would be \$2.5 million ahead of where we are today and we probably wouldn't be having this discussion.

Still, some people want to point to staff vehicles for employees who drive for district business as the culprit for our budget challenges. Others want to blame Chief for purchasing video equipment which we use for public education and training purposes. Others still claim that the organization is top heavy. Whatever their arguments, they all seem to fall short of recognizing the true factors behind our budget woes.

Fact is we need our NAV to catch up. We need a few good years of 5% gains in revenue to help us catch up and begin moving us out of the trough created by the Great Recession. We also need pension reform which should help lessen the burden as an employer. *NOTE: Fortunately, the Governor recently signed relief into law and our pension obligation will decrease \$216,000 this year.* This helps, but we need more.

Robert Horn chose to write an opinion piece and blast Chief Bourgeois with no facts and no examples of the chief's so called "mismanagement". Mr. Horn states, "An independent investigation commission should be appointed by the Board to look at all aspects of the District's financial mismanagement." It is important to point out that the District has been audited every single year of Chief Bourgeois' tenure by an independent reputable audit firm, and each year the audit has resulted in a clean opinion. Ergo, there has not been any financial mismanagement.

Mr. Horn is either misguided or misinformed or both. As a resident of the district Mr. Horn has never once in the past five years attended a district board meeting or asked to meet with Chief Bourgeois or any of our leadership team discuss his concerns yet he doesn't hesitate to second guess a management team and an organization he knows nothing about. I wish my old friend Bob the best, but his attacks on my Fire Chief are misguided.

Respectfully,

Jerome Schirmer  
Assistant Chief