



Superstition Fire & Medical District

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Governing Board Meeting Minutes July 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, JULY 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 PM.

A. Call to Order

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

B. Pledge of Allegiance

Pledge of Allegiance was led by Chairman Cross.

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: Interim Fire Chief Mike Farber, Acting Assistant Chief Richard Ochs, Acting Assistant Chief Richard Mooney, and Finance Director Roger Wood.

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

1. Review and approval of June 2017 financial reports and bank reconciliations. (BOD #2017-07-06)

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

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

2. Recognition of employee performance, achievements, and special recognition for community members. (BOD #2017-07-07)

Acting Assistant Chief Ochs read the list of July Service Anniversaries, Engineer/Paramedic Mark Blackstone (33 years), Captain/Paramedic Amy Brooks (24 years), Battalion Chief/Paramedic Brett Broman (22 years), Engineer/Paramedic Andrew Colby (21 years), Firefighter/Paramedic Steve Gereg (21 years), Captain Brian Logsdon (21 years), Battalion Chief Brian White, (21 years), Captain/Paramedic Brian Wyatt (21 years), Captain/Paramedic Jeff Ehrlich (17 years), Captain Joe Garcia (17 years), Captain/Paramedic Mark Castaneda (16 years), and Firefighter/Paramedic Dan McKinney (16 years).

3. Call to the Public. (BOD #2017-07-n/a)

Charlie Fox (address redacted)

Requested to speak on Item #16.

4. Consideration and possible approval of all consent agenda items listed below: (BOD #2017-07-08)

- A. Special Board Meeting Minutes from June 17, 2017
- B. Board Meeting Minutes from June 21, 2017
- C. Disposition of surplus property of (1) district provided HP Elitebook Folio
- D. Disposition of surplus property – computer equipment ready for disposition
- E. Contract with The Preplanners, LLC

Clerk Gehrt requested to remove items c) and e) from consent.

Motion by Clerk Gehrt to approve consent agenda items a), b), and d) for July 19, 2017. **Seconded** by Director House.

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

Clerk Gehrt stated he requested this item to be pulled for transparency. Anna Butel briefed the board on the item stating the computer was provided to Chief Bourgeois in April 2016, the price reflects the original cost less 25% and \$300 for Microsoft Office. Chairman Cross verified if there were enough computers in rotation, Mrs. Butel confirmed.

Motion by Director House to approve consent agenda item c) for July 19, 2017. **Seconded** by Chairman Cross.

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

Clerk Gehrt questioned item e) he stated that the contract figures are contradictory. Legal Counsel Donna Aversa agreed that clarifications needed to be made before it was approved by the board and suggested to bring it back to the board after the clarifications have been made.

5. Public Hearing in accordance with ARS §48-805(A)(2) in order to hear taxpayer’s comments on the proposed Superstition Fire & Medical District revenue and expenditure budget for Fiscal Year 2017/2018 (BOD #2017-07-09)

Chairman Cross opened the public hearing at 5:38 PM and asked for public comments, three times – no comments were made.

Chairman Cross closed the public hearing at 5:39 PM.

6. Discussion and possible approval of the proposed FY 2017/2018 budget and adoption of Resolution 2017-04: Budget Adoption. (BOD #2017-07-10) – [Addendum A](#)

Finance Director Roger Wood brought this item forward to the board and went over the budget planning timeline:

1. December 21, 2016 – the board agreed to consider adoption of the FY 2017/2018 budget at the regularly scheduled July 2017 meeting.
2. June 21, 2017 meeting – the board approved the FY 2017/2018 Tentative Budget and directed staff to post the Tentative Budget for public comment.
3. July 19, 2017 meeting – the 20-day public comment period is complete.

Other key items discussed were:

General (100) Fund Revenue

- Balance at \$14,539,555
- Beginning cash balance: \$1,349,644 (+\$249,644 from June estimate)
- Revenue Highlights
 - o \$12,860,611 Tax Revenue

- \$305,800 in Service Revenue (including \$200k in State Land)
- Expense Highlights
 - Tempe Trust Medical Coverage +\$42,136 in increased Benefit Dollars (up \$12.00 per pay period - \$390 vs \$378)
 - Increased PSPRS Contribution +\$582,182
 - \$191,601 ELBO
 - \$49,715 Separation ELBO
 - -\$1,243,644 Financial Reserve (9.67% of tax revenue)
 - \$25,000 added to HR budget for Fire Chief search
 - \$30,000 added for Recruit Academy
 - \$10,000 added to Legal budget for investigations
 - \$7,500 added for PSPRS Pay Out interest

Transport (150) Fund

- Beginning Cash Balance \$159,389 (+\$9,389 from June estimate)
- 4,334 ALS + 624 BLS = 4,958 Total Transports
- 8.49 billable miles per transport
- \$1,066.46 ALS, \$923.30 BLS, \$18.26 per mile
- \$6,011,915 GROSS Revenue
- \$2,622,801 NET Revenue (after all discounts and write-offs)
- Three full time 24x7 ambulances, one part time 12x7 ambulance
- Payer Mix = 43.71%
- Subsidy for General M&O (100) Fund
 - \$281,653 allocated costs
 - \$251,375 direct facilities, utilities, and operating costs
 - \$533,028 total subsidy

Capital (200) Fund

- Beginning Cash Balance (Projected) \$906,102
- Estimated Tax Revenue (\$0.25*) \$951,970
- Investment Income (Estimated) \$4,000
- Planned Purchases \$723,408
- Grant Matching (2nd set Turnouts) \$28,358
- Ending Cash Balance \$1,110,306

Special Revenue (Donations/Grant 400) Fund

- Beginning Cash Balance \$69,900
- Grants
 - Fall Prevention Grant (5%) \$11,961 (Supplies Only)*
 - VICC Training Grant (15%) \$95,634
 - AFG 2nd Set of Turnouts (10%) \$255,218
 - Donations \$16,600

Bond Debt Principal (500) Fund

- Estimated Tax Revenue \$492,602
- Debt Principal Expense \$445,000

Bond Debt Interest (600) Fund

- Estimated Tax Revenue \$344,250
- Debit Interest Expense \$311,025

The board made the following comments regarding the budget.

Director House

"I'd just like to say it's been kind of a rough budget year for the district. Would be an understatement, but I'd like to thank everyone for hanging in there and helping us get through all of this, made sure we had a budget and we didn't have to lay anybody off or cut salaries. We worked our way through it. I'd just like to say my appreciation and hard work that everyone put in to work this year."

Clerk Gehrt

"I'd echo what Todd just said."

Director Moeller

"Yeah, me too."

Director Strand

"Well done Roger."

Finance Director Roger Wood thanked the board and assured them that the budget process is a group effort, he just gets to be the voice at board meetings.

Motion by Clerk Gehrt to adopt Resolution 2017-04: Budget Adoption, fully adopting the estimates of proposed revenues and expenditures by the Superstition Fire & Medical District for the fiscal year beginning July 1, 2017 and ending June 30, 2018 in the amount of \$20,705,226.00 and declaring that such shall establish the budget of the Superstition Fire & Medical District for Fiscal Year 2017/2018. **Seconded** by Director Strand.

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

7. Discussion and possible adoption of Resolution 2017-05, directing where the Pinal County Treasurer's Office (PCT's) is to deposit revenues from the November 2017 temporary tax override election. (BOD #2017-07-11)

Finance Director Roger Wood stated that when the voters approved the 2016 temporary override initiative, it allowed the board of directors to add up to \$0.25 per \$100 of assessed property value for a 5-year term. He went on to explain that after discussing this information with the independent auditors and Pinal County Chief Deputy Treasurer, it was decided that it would be better for the district to have the funds go directly into the 200 fund (Capital). Pinal County can facilitate this process, with the approval from the board of directors adopting a resolution.

Motion by Director Strand to adopt Resolution 2017-05: Deposit of 2017 Tax Override Funds directing the Pinal County Treasurer's Office to deposit revenues from the tax override election directly into the district's Capital Projects Fund #6116421101. **Seconded** by Director House.

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

8. Discussion and possible adoption of Resolution 2017-06: Authorizing the Establishment of a Line of Credit with Wells Fargo for Fiscal Year 2017/2018. (BOD #2017-07-12)

Finance Director Roger Wood brought this item to the board, stating that per ARS §11-604-01, which states that a fire district may establish a line of credit (LOC) with the county's contract servicing bank with the assistance of the county treasurer. He went on to explain that many fire districts begin the fiscal year with minimal cash fund balances and draw upon the LOC until secondary property taxes are received in November and again in spring during the April/May timeframe. The LOC is statutorily limited to a maximum of 45% of the secondary property tax levy of the preceding fiscal year and establishing the LOC requires a resolution by the board of directors. Under the ARS §11-604.01 parameters, the district could establish a maximum LOC of approximately \$4.5 million.

Mr. Wood went on to explain that in recent years, the district has maintained a LOC of \$2 million to provide short term financial protection for the district during times when tax revenues are insufficient to cover

expenses. As a result of the district planning to payout the PSPRS refunds on August 4, 2017, staff is recommending to increase the LOC for Fiscal Year 2017/2018 to \$2.5 million to ensure sufficient short term financial cash flow. This will ensure a sufficient LOC limit far in excess of expected need, there is no cost to establishing a LOC if it is not utilized.

Mr. Wood fielded comments and questions from the board of directors, key points discussed were as follows:

Director House asked if the LOC would cause issues with the current bond, Wood stated it would not cause any issues.

Chairman Cross clarified that the main reason to increase the LOC was because of the PSPRS, which was not a planned expense. Finance Director Wood agreed with Chairman Cross' statement.

Motion by Director Moeller to approve Resolution 2017-06, authorize the establishment of a line of credit with Wells Fargo, for \$2.5 million for Fiscal Year 2017/2017. **Seconded** by Director Strand.

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

9. Review, discussion, and possible approval of the payout of the Public Safety Personnel Retirement System (PSPRS) refund payments related to the Hall case. (BOD #2017-07-13)

Finance Director Roger Wood briefed the board on the background of this item stating, the Arizona Supreme Court ruled in the Hall vs PSPRS case that firefighters hired prior to July 1, 2011 are due a refund of the payroll deducted employee contributions in excess of 7.65% of their wages. PSPRS has contacted employers stating they are expected to fund the payouts upfront, and then be reimbursed over time by withholding the normal bi-weekly payroll related contributions until the payout amount has been recovered. In mid-June, PSPRS recommended that employers work with their local boards to decide on a method and manner of payout before the end of June 2017.

Mr. Wood went on to say that SFMD's Pension Board met on June 15, 2017 and recommended to have the governing board pay the district employees who are due a refund from PSPRS on August 4, 2017. He stated that the courts have not decided on if the district will be liable for any interest the courts decide is due to the impacted firefighters from July 1st to August 4th (35 days).

Director House clarified if this was only for current employees, Mr. Wood informed him that there are four (4) former employees that will be affected.

Motion by Director House to approve the August 4, 2017 payout of the refunds due to district employees affected by the Hall vs PSPRS case. **Seconded** by Director Strand.

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

10. Review, discussion, and possible action regarding options to retain the services of a consultant qualified to provide a financial forecast for the SFMD. (BOD #2017-07-14)

Legal Counsel Donna Aversa introduced this item to the board, stating this item is on the agenda following a discussion at a previous board meeting. Ms. Aversa reminded the board that Director Moeller initiated this topic regarding an outside agency complete a three (3) to five (5) year forecast. Initially the discussion was to put a second set of eyes on a forecast created by Finance Director Roger Wood. She went on to say that the board can give direction to herself and Interim Fire Chief Mike Farber on how to move forward.

Chairman Cross suggested they first discuss what the board's wishes are – having a second set of eyes on a forecast that is originally done internally or to have an outside agency finish the forecast completely. Comments from the board were as follows:

Director House

"Mr. Chairman I would just like to say that I would like to go ahead and get this forecast independent from our district because Roger has his hands full on other assignments taking care of that. I would hope that Roger look it over and maybe get some guidance to do a forecast in the future. But, I would like to have an independent firm do it. Five years is just too far, you are looking at a crystal ball with five years in my opinion. A three year plan would be more efficient and more accurate for us to look at and I would like to, you know, find out what the cost would be for us to, you know, don't want to spend a lot of money on it. But, I would like to know what the costs are and go ahead and have that done. Also, how quickly they could have that done, that is one of the other issues that I would like to see. So, to sum it up pretty quickly as to our next year forecast already looks like and what opportunities or problems we have in front of us next year or next three years. My vision is go ahead with a three year forecast and go ahead and take an independent forecast depending on the cost. That way Roger is free to do more of his responsibilities and we could always use it in the future as a guide for Roger to follow as a guide. If we felt like that could occur. But, with all of the issues going on in the district this year, I feel like it would be a very good opportunity to get an independent outside source."

Director Moeller

"I was with Chief Farber when the gentlemen called and we went over what they do. They build a pretty extensive forecast and they take into consideration all potential hidden hiccups that could surprise us. Because they have done this he said they do it for a multitude of different fire departments and he said that little things that pop up that people don't anticipate that could potentially be bad, they factor in. They built a forecast that has a built in algorithm that if we say okay we want a forecast for this then he plugs in a number and would give us a three year forecast. What they say their equipment can do is give us the option to plug in a multitude of numbers and run with it so if they say we need to add turn-outs then because they are expensive they can plug that number in. They put it in there and it is an algorithm that takes place for two years, three years, ten, and so on. So down the road we don't have to go back to see it's working. They will already be on an algorithm and then he said after it's done, they would have a work session with all of us. Maybe in groups of two or individually, we would go in and see what they found. To see what our projected budget would be and they take into consideration the ambulance services and our group. And he rattled off a whole bunch of things and he said they build a program and it allows for better calculations so instead of doing a one year forecast, programming it for three to five years."

Chairman Cross

"So, I guess my two cents are going to be, I might be the only one, but I look at \$12 to \$15 or \$17.5 thousand dollars as a waste of money. We have an accountant, I trust our accountant, if I didn't he wouldn't work here. As far as some fancy technological advanced computer system to tell me how often I am going to replace turn-outs, we replace them every ten years unless they have a problem, we won't know of a problem until it happens. Fire trucks, we have a replacement schedule for, we don't know when or if they may catch fire, etc. PSPRS, I highly doubt they know more than we do, because I don't think PSPRS knew what they were going to do. Forecasting for our NAV, our property tax, it's a guesswork. What you are basically looking at a window in time that says I am taking a photo of a window in time. Next month that number is going to change. The following month the number is going to change. Because I ultimately hear budget, oh we are \$27k over, our ambulance service, they will look at that and it's projected to do \$250k and we are doing \$279k. There are a lot of moving variables in this and for starters to pay \$12 to \$15 thousand when we already pay someone to do that, I think that is unacceptable. I think it's a waste of tax payer money. That's my two cents and on top of it, I would recommend if anybody is to do this, we at least have three bids and we have the names of everyone that has used the company before. I would like to contact those departments and speak with their accountant and ask them what did they learn, did anything surprise you? Were you off by \$5k or \$10 million dollars? Because I highly doubt any of them are that far off. You know I've looked back at the last ten budget years. Do you know how many years our actuals have been over in those ten years? You know what the difference was other than one year when there were fire trucks purchased? It was a negligible amount and that was during the recession coming out of it. Our budget from 2007 until now is roughly the same. Am I wrong?"

Clerk Gehrt agreed with Chairman Cross and stated he had done the same research.

Chairman Cross (cont.)

“So, Roger as far as I am concerned has been doing a fabulous job and I think anything above and beyond I think is a waste especially with only one bid and a \$12 to \$15 thousand plus in expenses.”

Director Strand

“Mr. Chairman, I would like to suggest we hold off of this for a month and get three bids, with more information.”

Clerk Gehrt

“First off I am not in opposition of doing this, but I think it is a worthwhile tool for us. But, looking at two pieces of paper that we were just given, I have no idea what they are delivering to us. I mean if we are going to go out and get three different bids, let’s at least have them bring something to us so they can show us what a deliverable is. \$17 thousand is a heck of a lot to get a piece of paper that doesn’t tell us a lot.”

The board briefly spoke about state statute requiring forecasting and how we are in compliance with state statute.

Director House spoke briefly regarding the previous budget years and how the senior leadership team came to the board during the budget planning process to inform them that a significant amount of funds would need to be cut. He believes that an independent forecast would be beneficial to see a minimum of three (3) years. Director House went on to say he didn’t want to move money from one fund to another in future years. His feelings are that it is up to the board of directors to show financial stability to tax-payers.

Clerk Gehrt asked if the handout Chief Farber handed the board before the meeting was a proposal. He also inquired how the figure of \$3500 the board was originally presented drastically changed to \$17,500 in the proposal provided.

Chief Farber stated, *“We were talking to them yesterday because we didn’t have any direction. I contacted James Vincent to send something a few weeks ago. For a three year forecast on the phone he said anywhere from \$12,000 to \$15,000 and for a five year \$15,000 to \$17,000. The proposal that I just got and handed out I think it is the \$17,000 for five year, doesn’t list anything other than a five year proposal.”*

Finance Director Roger Wood was asked his perspective by Chairman Cross. Mr. Wood addressed Director House’s comments regarding SLT going to the board and talking about cuts. He explained that the process of planning the budget included budget managers. They submitted their “dreams” in terms of what a perfect world would look like in their divisions. From there it was up to SLT and the board to make cuts, that is where the significant amount Director House spoke of came from. Wood went on to say that in the future, the process could be changed to a more structured budget process.

With the guidance of Ms. Aversa, the board of directors all agreed that they would like Interim Fire Chief Mike Farber and Ms. Aversa to coordinate various references and various departments on the board’s behalf to see what those departments have done and also to draft a request for proposal (RFP). The next board meeting Aversa and Farber will bring back the research on other departments and possibly an RFP draft.

11. Discussion, direction, and possible action regarding salary adjustment for Interim Fire Chief. (BOD #2017-07-15)

Clerk Gehrt stated he requested to have this item added to the board agenda, he went on to say per policy (102.48), states a 5% pay increase for acting or interim positions will be granted. Chairman Cross verified with Finance Director Roger Wood that there is room to absorb the increase in pay, Mr. Wood stated there was.

Motion by Clerk Gehrt to give Interim Fire Chief Mike Farber a 5% increase salary adjustment effective June 17, 2017 as long as he serves as Interim Chief. **Seconded** by Director Strand.

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

12. Review, discussion, and possible action regarding updating the Governing Board By-Laws. (BOD #2017-07-16)

Clerk Gehrt requested to have this item added to the board agenda as an extension of the July 12th board work session discussion.

Director Strand stated he would like to table this item because he just received a copy before the meeting, he would like legal to view the document before it is approved by the board. Clerk Gehrt stated that legal made most of the changes. Chairman Cross verified that the document was emailed well before the meeting to the board. Board Secretary Jasmin Jones confirmed the document was emailed to the board before the meeting, in addition to providing a hard copy at the meeting.

The board agreed to table this item until the August meeting.

13. Discussion, presentation, and possible action regarding stopping the LA263 Pilot Program and replacing it with adding an additional unit to FS 263. (BOD #2017-07-17) – [Addendum B](#)

Interim Fire Chief Mike Farber presented this item to the board for the purpose of exploring the possibility of terminating the 263 Low Acuity (LA) Pilot Program and replacing the program with a 2nd unit stationed at Fire Station 263. Chief Farber stated this could reduce firefighter fatigue, assist response times, possibly increase survivability, and reduce fire loss. He presented a PowerPoint to the board ([Addendum B](#)).

Chief Farber fielded questions and comments from the board. Key items discussed were as follows:

- Director House clarified that Labor was involved with the proposal, Labor VP John Walka stated they had been involved and they are satisfied with this program. He went on to say that Labor has been working closely with SLT.
- Director Strand asked if this would completely eliminate the LA program, Chief Farber concurred.
- Director House inquired if this change would assist with the ISO rating. Chief Farber stated that having a second unit readily available may assist with the ISO rating.
- Clerk Gehrt questioned if the district has the apparatus to make this pilot program successful. Chief Farber stated the district does have the units available.
- Chairman Cross verified that LA 263 was only up 10 days the previous month. Chief Farber verified that was correct.

Chairman Cross requested Interim Fire Chief Mike Farber to bring back additional information before any decisions could be made – monthly statistics on light duty, statistical analysis of sick leave for the last five (5) years, analysis on how the 48/96 schedule correlates with sick/vacation leave, total cost including PSPRS update with overtime, wear and tear on vehicles, gas for vehicles, benefits, and included in the three year forecasting previous talked about – the complete costs.

14. Discussion, direction, and possible action to set a special meeting for a board session to review the SFMD Administrative Policies. (BOD #2017-07-18)

Clerk Gehrt stated he requested this item be added to the agenda. The board briefly spoke about SFMD Volume I and how the board should approve all of the policies in the volume.

Clerk Gehrt will work with Ms. Jones to bring this item to the next meeting to update the policy process.

15. Update, discussion, and possible direction regarding PSPRS. (BOD #2017-07-19)

Finance Director Roger Wood briefed the board on an email that was sent out by PSPRS. He stated that they have not made a decision on what the direction will be regarding a set time to payout. When more information is available he will bring it forward to the board.

16. Update and possible direction for New Business Items from the members of the board. (BOD #2017-07-20)

Chairman Cross reminded the board that there is a Call to the Public regarding this item. Mr. Charlie Fox requested to speak after hearing what this item was.

Chairman Cross stated this is placeholder for the board as a reminder if they would like anything added to future board agendas, it is not for discussion.

Call to Public

Charlie Fox (address redacted)

“Ok, so this is not putting new business an agenda to be discussed, which you can’t do. That’s all.”

Director House stated he had an item that may be added in a few months to an agenda. He is currently working with the county and the city regarding paving Mountain View Road and more information will follow.

17. Reports (BOD #2017-07-21) – [Addendum C](#)

Operations

- Structure Fire – July 18th
- Recent Promotions
 - Battalion Chief Brian White
 - Captain Tanner Fox
 - Engineer Bryan Heun
- Tanner Fox returning to shift work on July 28th
- New Division Heads
 - Technical Rescue Team – Battalion Chief Jeff Cranmer
 - Wildland Team – Battalion Chief Brian White
- Paramedic Students – half-way through program
- Development of 2017/2018 Training Schedule
- June 2017 Incident Reports
- Transportation Reports/Revenue
- Medicaid Update

Community Service Events

- July 19th Salvation Army Day Camp Fire Station Tour with 263
 - July 26th Phoenix Children’s Hospital Drowning Impact Awareness Month
 - August 1st City Council Meeting – Tina will accept the Mayor’s Proclamation
-

18. Announcements (BOD #2017-07-n/a)

Chairman Cross announced that he ran into a citizen at Taco Bell that wanted to thank Billy Warren and Mike Farber for assisting them with an ambulance billing issue.

19. Adjourn (BOD #2017-07-22)

Motion by Director Strand at 7:30 PM to adjourn the meeting. **Seconded** by Clerk Gehrt.

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

Governing Board Approval:

Governing Board Approval:



Gene Gehrt, Board Clerk

Jasmin Jones

Addendum A

**Item 6
BOD #2017-07-10**

Discussion and possible approval of the proposed FY 2017/2018 budget and adoption of Resolution 2017-04: Budget Adoption.



FY 2017 / 2018 Final Budget

Superstition Fire & Medical District Budget - FY 2017 / 2018

Budget Income Summary

Revenue Summary by Fund Account (includes beginning cash balance)

FUND	2016 / 2017 Actual	2016 / 2017 Approved Budget	2017 / 2018 Approved Budget	2018 / 2019 Budget Forecast
General Operating (M&O)	\$ 14,310,662.40	\$ 14,623,391.88	\$ 14,539,554.57	\$ 14,681,063.57
Transport Services	\$ 2,581,208.35	\$ 2,542,028.58	\$ 2,863,454.36	\$ 2,889,720.00
Capital Projects	\$ 1,423,496.90	\$ 1,415,436.18	\$ 1,833,714.39	\$ 2,089,076.39
Special Revenue	\$ 136,703.09	\$ 227,744.51	\$ 478,171.20	\$ 454,600.00
Community Medicine Grant	\$ 247,900.00	\$ 403,341.00	\$ -	\$ -
Debt Retirement Principal	\$ 534,417.78	\$ 531,141.14	\$ 583,616.87	\$ 642,770.67
Debt Retirement Interest	\$ 372,891.82	\$ 374,880.42	\$ 406,714.61	\$ 447,724.61
	\$19,587,880.43	\$20,127,960.72	\$20,705,226.00	\$21,174,955.44

FY 2017 / 2018 Final Budget

General (100) Fund Revenue

Balanced at \$14,539,555

Beginning cash balance: \$1,349,644 (+\$249,644 from June estimate)

Revenue Highlights:

- \$12,860,611 Tax Revenue
- \$305,800 in Service Revenue (including \$200K in State Land)
- No advertising or treat & refer revenue budgeted

FY 2017 / 2018 Final Budget

General (100) Fund Expense

Balanced at \$14,539,555

Expense Highlights:

- Tempe Trust Medical Coverage +\$42,136 in increased Benefit Dollars
 - Up \$12.00 per pay period (\$390 vs. \$378)
- Increased PSPRS Contribution +\$582,182
- \$ 191,601 ELBO
- \$ 49,715 Separation ELBO
- **\$1,243,644 Financial Reserve (9.67% of tax revenue)**
- \$ 25,000 added to HR budget for Fire Chief search
- \$ 30,000 added for Recruit Academy
- \$ 10,000 added to Legal budget for investigations
- \$ 7,500 added for PSPRS Pay Out Interest

FY 2017 / 2018 Final Budget

Transport (150) Fund

Beginning Cash Balance: \$159,389 (+\$9,389 from June estimate)

4,334 ALS + 624 BLS = 4,958 Total Transports

8.49 billable miles per transport

\$1,066.46 ALS, \$923.30 BLS, \$18.26 per mile

\$6,011,915 **GROSS** Revenue

\$2,622,801 **NET** Revenue (after all discounts and write-offs)

Three (3) full time 24X7 ambulances, one (1) part time 12X7 ambulance

Payer Mix = 43.71%

FY 2017 / 2018 Final Budget

Transport (150) Fund

Subsidy for General M&O (100) Fund

\$281,653 allocated costs

\$251,375 direct facilities, utilities, and operating costs

\$533,028 Total Subsidy

Allocated costs: portion of administrative / support wages & benefits.

Direct Costs: largest include \$85,000 medical supplies and \$131,387 dispatch fees the 100 fund would have to pay even if the Transport division did not exist.

FY 2017 / 2018 Final Budget

Capital (200) Fund

Beginning Cash Balance (Projected) \$ 906,102 (+\$27,296 from June)

Estimated Tax Revenue (\$0.25*) \$ 951,970

Investment Income (Estimated) \$ 4,000

Planned Purchases \$ 723,408

Grant Matching (2nd set Turnouts) \$ 28,358

Ending Cash Balance (Estimated) \$1,110,306

* Assumes Board approval of Special Tax Override.

FY 2017 / 2018 Final Budget

Capital (200) Fund

Planned Purchases

Steel Building at \$262	\$ 39,830
A/C Unit Replacements (3)	\$ 22,500
Pumper Lease	\$ 86,098
Tanker Lease	\$ 42,256
Ambulance Leases (5)	\$ 175,148
Topaz Venture	\$ 42,076
G2 Encoding Upgrade	\$ 30,000
Dual Band Radios (5)	\$ 45,000
Heart Monitor	\$ 41,500
Mobile Data Terminal Replacement	\$ 130,000
Servers	\$ 52,000
EPCRs	\$ 10,000
Treadmill	\$ 7,000
	\$ 723,408

FY 2017 / 2018 Final Budget

Special Revenue (Donations / Grant – 400) Fund

Beginning Cash Balance	\$ 69,900
Grants (Agency Share)	
- Fall Prevention Grant (5%)	\$ 11,961 (Supplies Only)*
- VICC Training Grant (15%)	\$ 95,634
- AFG 2nd Set of Turnouts (10%)	\$255,218
- Donations	\$ 16,600

* Fall Prevention Grant includes wages & benefits of 2 employees whose costs are fully funded whether or not we get the grant.

** Total potential value of grants to District: \$575,971
District share: \$47,184

FY 2017 / 2018 Final Budget

Bond Debt Principal (500) Fund

Estimated Tax Revenue: \$492,602
Debt Principal Expense: \$445,000

Bond Debt Interest (600) Fund

Estimated Tax Revenue: \$344,250
Debit Interest Expense: \$311,025

Addendum B

2017 STATION BIDDING

Pilot Program: 2nd Engine Company at 263

ADVANTAGES OF PILOT PROGRAM

- Reduce Employee Burn Out at the busiest stations
- Reduction of response time from E261 responding to incidents in 263's area – Creates reliability across all stations
- Dispatch protocol will not have to be modified for E263
- Creates potential ISO rating of a 2
 - Lowers insurance costs for community
- ARU (E263) Can be used as coverage during training, and special events

SUPPRESSION COUNT OF PERSONNEL

Position	Current	Required for 2 nd Unit 263	Meets Requirement?
Captain	21	Equal to the number of positions	Yes
Engineer	15	18 would be needed (3 short)	No
Firefighter	41	36 for all shifts - 5 for Leave Pool	Yes (2 and 1)
ALS Suppression	48	Technically 46 (excluding 2 BSOs)	Yes
BLS Suppression	30	Technically 29 (excluding 1 BSO)	Yes

PTO – SICK/VACATION USED (2 YEAR PERIOD)

Sept 2014 – Aug 2015	Sick	Vacation	Total Hours	% of Usage
Captain	1,788.75	4,482.75	6,271.50	10.2%
Engineer	859.25	3,163.25	4,022.50	9.2%
Firefighter	3,596.50	7,637.25	11,233.75	9.4%
TOTAL			21,527.75	9.6%
Sept 2015 – Aug 2016	Sick	Vacation	Total Hours	% of Usage
Captain	1,712.75	4,774.25	6,487.00	10.6%
Engineer	1,327.50	3,703.50	5,031.00	11.5%
Firefighter	5,311.00	8,826.50	14,137.00	11.8%
TOTAL			25,655.00	11.4%

WHAT DOES IT COST? (24 HOUR PERIOD)

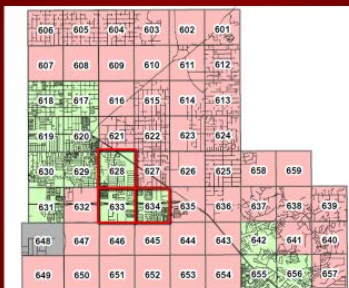
People on PTO	0 Leave Pool	1 Leave Pool	2 Leave Pool
1	\$1,377	\$0	\$0
2	\$2,754	\$1,377	\$0
3	\$4,131	\$2,754	\$1,377
4	\$5,508	\$4,131	\$2,754
5	\$6,884	\$5,508	\$4,131
6	\$8,261	\$6,684	\$5,508

CAN IT BE DONE?

Position Scenario	Position Cover	Annual OT Cost
1 Leave Pool	1	\$999,702
2 Leave Pool	2	\$574,209
1 Leave Pool & 1 Compromised	2	\$574,209
2 Leave Pool & 1 Compromised	3	\$260,253
1 Leave Pool & 2 Compromised	3	\$260,253
2 Leave Pool & 2 Compromised	4	\$90,882
2 Leave Pool & 3 Compromised	5	\$30,294

*Historical usage of Sick/Vacation was analyzed for frequency of each combination of Sick/Vacation. An average frequency for each Sick/Vacation possibility was determined and the OT costs of covering those positions was calculated above.

DISTRICT MAP



RESPONSE TIME IMPACT

LT263	Plat 628	Plat 633	Plat 634
Avg. Travel	3:37	5:13	6:31
# of Responses	327	194	271
E261	Difference 1:53	Difference :54	Difference -:03
Avg. Travel	5:30	6:07	6:28
# of Responses	71	54	32
E262/L264/E265	Difference 2:38	Difference 1:04	Difference 3:18
Avg. Travel	6:15	6:17	9:49
# of Responses	39	31	77

263 CALL VOLUME

Year	# of Responses
2015	3,478
2016	3,514
2017 (projected)	4,000

NFPA recommends that stations that exceed 3,500 requests for service add another unit.

COMPARABLE AGENCIES

Agency	Backfill	Training	Leave Pool	Call Volume & Stations
Sedona	\$500,000	\$350,000	N/A	4,358 / 5 Stations
Daisy Mountain	\$500,000	\$135,000	2	3,500 / 4 Stations
North County	\$598,908	N/A	3	10,456 / 5 Stations
Golder Ranch	\$300,000	N/A	6	12,273 / 7 Stations
Northwest	\$600,000	N/A	10	14,000 / 10 Stations
Superstition	\$50,000	\$12,500	6	9,603 / 5 Stations

POSSIBLE FUNDING SOURCES

- Elimination of 1 Assistant Chief Position
 - All SLT positions are at a lower annual salary
 - The district is no longer funding the Alternate Contribution for the Operations Chief position
- Elimination of the Battalion Chief – Training Position
- Elimination of the Deputy Fire Marshal Position
- 2 Suppression FTE positions (Captain & Firefighter) will not be replaced and were not included in these calculations
- Mechanic position delayed to January 2018
- Special assignment positions were calculated as on shift

OTHER STRATEGIES

- Reduce the Vacation Usage Requirement to 48 hours
- Reduce sick time usage by 10% for the 2017/18 year for a savings of approximately \$100,000
- Evaluate sick leave policy and separation buyout
- Evaluate an incentive program for sick leave use
- Evaluate the Work-Trade policy



QUESTIONS?

Scenario	2 Year Average (Frequency)	# of Open Positions	1 in Leave Pool			2 in Leave Pool			2 in Leave Pool & 265 Compromised			2 in Leave Pool & 265/262 Compromised			2 in Leave Pool & 265/262/2nd at 263 Compromised		
			Positions to fill with OT	Cost of OT Per Day	Annual Cost of OT Based on Frequency	Positions to fill with OT	Cost of OT Per Day	Annual Cost of OT Based on Frequency	Positions to fill with OT	Cost of OT Per Day	Annual Cost of OT Based on Frequency	Positions to fill with OT	Cost of OT Per Day	Annual Cost of OT Based on Frequency	Positions to fill with OT	Cost of OT Per Day	Annual Cost of OT Based on Frequency
Vac: 0 - Sick: 0	21	0	0	\$ -	\$ -	0	\$ -	\$ -	0	\$ -	\$ -	0	\$ -	\$ -	0	\$ -	\$ -
Vac: 0 - Sick: 1	15	1	0	\$ -	\$ -	0	\$ -	\$ -	0	\$ -	\$ -	0	\$ -	\$ -	0	\$ -	\$ -
Vac: 0 - Sick: 2	5	2	1	\$ 1,377	\$ 6,885	0	\$ -	\$ -	0	\$ -	\$ -	0	\$ -	\$ -	0	\$ -	\$ -
Vac: 0 - Sick: 3	3	3	2	\$ 2,754	\$ 8,262	1	\$ 1,377	\$ 4,131	0	\$ -	\$ -	0	\$ -	\$ -	0	\$ -	\$ -
Vac: 0 - Sick: 4	1	4	3	\$ 4,131	\$ 4,131	2	\$ 2,754	\$ 2,754	1	\$ 1,377	\$ 1,377	0	\$ -	\$ -	0	\$ -	\$ -
Vac: 1 - Sick: 0	30	1	0	\$ -	\$ -	0	\$ -	\$ -	0	\$ -	\$ -	0	\$ -	\$ -	0	\$ -	\$ -
Vac: 1 - Sick: 1	29	2	1	\$ 1,377	\$ 39,933	0	\$ -	\$ -	0	\$ -	\$ -	0	\$ -	\$ -	0	\$ -	\$ -
Vac: 1 - Sick: 2	11	3	2	\$ 2,754	\$ 30,294	1	\$ 1,377	\$ 15,147	0	\$ -	\$ -	0	\$ -	\$ -	0	\$ -	\$ -
Vac: 1 - Sick: 3	4	4	3	\$ 4,131	\$ 16,524	2	\$ 2,754	\$ 11,016	1	\$ 1,377	\$ 5,508	0	\$ -	\$ -	0	\$ -	\$ -
Vac: 1 - Sick: 4	2	5	4	\$ 5,508	\$ 11,016	3	\$ 4,131	\$ 8,262	2	\$ 2,754	\$ 5,508	1	\$ 1,377	\$ 2,754	0	\$ -	\$ -
Vac: 1 - Sick: 5	1	6	5	\$ 6,885	\$ 6,885	4	\$ 5,508	\$ 5,508	3	\$ 4,131	\$ 4,131	2	\$ 2,754	\$ 2,754	1	\$ 1,377	\$ 1,377
Vac: 2 - Sick: 0	47	2	1	\$ 1,377	\$ 64,719	0	\$ -	\$ -	0	\$ -	\$ -	0	\$ -	\$ -	0	\$ -	\$ -
Vac: 2 - Sick: 1	36	3	2	\$ 2,754	\$ 99,144	1	\$ 1,377	\$ 49,572	0	\$ -	\$ -	0	\$ -	\$ -	0	\$ -	\$ -
Vac: 2 - Sick: 2	19	4	3	\$ 4,131	\$ 78,489	2	\$ 2,754	\$ 52,326	1	\$ 1,377	\$ 26,163	0	\$ -	\$ -	0	\$ -	\$ -
Vac: 2 - Sick: 3	4	5	4	\$ 5,508	\$ 22,032	3	\$ 4,131	\$ 16,524	2	\$ 2,754	\$ 11,016	1	\$ 1,377	\$ 5,508	0	\$ -	\$ -
Vac: 2 - Sick: 4	1	6	5	\$ 6,885	\$ 6,885	4	\$ 5,508	\$ 5,508	3	\$ 4,131	\$ 4,131	2	\$ 2,754	\$ 2,754	1	\$ 1,377	\$ 1,377
Vac: 2 - Sick: 5	1	7	6	\$ 8,262	\$ 8,262	5	\$ 6,885	\$ 6,885	4	\$ 5,508	\$ 5,508	3	\$ 4,131	\$ 4,131	2	\$ 2,754	\$ 2,754
Vac: 3 - Sick: 0	55	3	2	\$ 2,754	\$ 151,470	1	\$ 1,377	\$ 75,735	0	\$ -	\$ -	0	\$ -	\$ -	0	\$ -	\$ -
Vac: 3 - Sick: 1	47	4	3	\$ 4,131	\$ 194,157	2	\$ 2,754	\$ 129,438	1	\$ 1,377	\$ 64,719	0	\$ -	\$ -	0	\$ -	\$ -
Vac: 3 - Sick: 2	20	5	4	\$ 5,508	\$ 110,160	3	\$ 4,131	\$ 82,620	2	\$ 2,754	\$ 55,080	1	\$ 1,377	\$ 27,540	0	\$ -	\$ -
Vac: 3 - Sick: 3	6	6	5	\$ 6,885	\$ 41,310	4	\$ 5,508	\$ 39,048	3	\$ 4,131	\$ 24,786	2	\$ 2,754	\$ 16,524	1	\$ 1,377	\$ 8,262
Vac: 3 - Sick: 4	3	7	6	\$ 8,262	\$ 24,786	5	\$ 6,885	\$ 20,655	4	\$ 5,508	\$ 16,524	3	\$ 4,131	\$ 12,393	2	\$ 2,754	\$ 8,262
Vac: 3 - Sick: 5	1	8	7	\$ 9,639	\$ 9,639	6	\$ 8,262	\$ 8,262	5	\$ 6,885	\$ 6,885	4	\$ 5,508	\$ 5,508	3	\$ 4,131	\$ 4,131
Vac: 4 - Sick: 0	8	4	3	\$ 4,131	\$ 33,048	2	\$ 2,754	\$ 22,032	1	\$ 1,377	\$ 11,016	0	\$ -	\$ -	0	\$ -	\$ -
Vac: 4 - Sick: 1	3	5	4	\$ 5,508	\$ 16,524	3	\$ 4,131	\$ 12,393	2	\$ 2,754	\$ 8,262	1	\$ 1,377	\$ 4,131	0	\$ -	\$ -
Vac: 4 - Sick: 2	1	6	5	\$ 6,885	\$ 6,885	4	\$ 5,508	\$ 5,508	3	\$ 4,131	\$ 4,131	2	\$ 2,754	\$ 2,754	1	\$ 1,377	\$ 1,377
Vac: 4 - Sick: 3	1	7	6	\$ 8,262	\$ 8,262	5	\$ 6,885	\$ 6,885	4	\$ 5,508	\$ 5,508	3	\$ 4,131	\$ 4,131	2	\$ 2,754	\$ 2,754
					\$ 999,702			\$ 574,209			\$ 260,253			\$ 90,882			\$ 30,294

Cost for Number of Positions	
1 positions	\$ 1,377
2 positions	\$ 2,754
3 positions	\$ 4,131
4 positions	\$ 5,508
5 positions	\$ 6,884
6 positions	\$ 8,261
7 positions	\$ 9,639

Position Scenario			
Leave Pool	Compromised	Positions to Fill with OT	Annual OT Cost
1	n/a	1	\$ 999,702
2	n/a	2	\$ 574,209
1	E265	2	\$ 574,209
2	E265	3	\$ 260,253
1	E265 & E262	3	\$ 260,253
2	E265 & E262	4	\$ 90,882
2	E265, E262, & E263 (2nd unit at 263)	5	\$ 30,294

Addendum C

Operations

- Structure Fire – July 18th – 420 S. Grand Dr.
- Recent Promotions
 - Battalion Chief Brian White
 - Captain Tanner Fox
 - Engineer Bryan Heun
- Tanner Fox returning to shift work – July 28th
 - Last day at Mesa on July 20th
- New Division Heads
 - Technical Rescue Team – Battalion Chief Jeff Cranmer
 - Wildland Team – Battalion Chief Brian White
- Paramedic Students – half-way through program
- Development of 2017/2018 Training Schedule



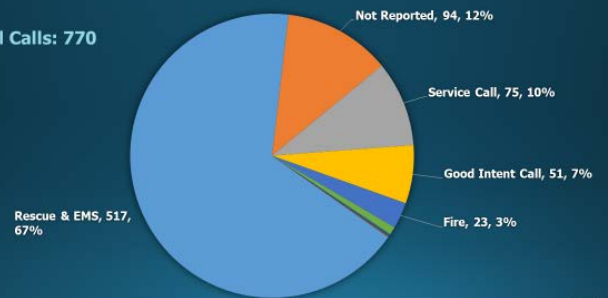
June 2017 – Suppression Operations

Average Response Time For Emergent Incidents		
June 2017	June 2016	YTD (Fiscal)
5:03	unable to obtain	5:08



Incident Type by Category

Total Calls: 770

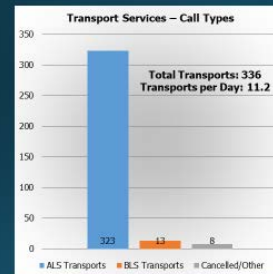


June 2017 – Transportation Operations

CON Compliance Through June 2017 (Code 3 Only) (Licensure Reporting Period January 4, 2016 – March 17, 2019)				
Standard	Late	On-Time	Total Calls	Compliance
8:59 or less - 90%	23	366	389	94.09%
14:59 or less -95%	1	388	389	99.74%
19:59 or less -100%	0	389	389	100%



June 2017 – Transportation Operations



FY 2016/17 Transportation Revenue

- During FY 2016/17, the Transport Division covered \$781,124 in expense normally charged to the General (100) Fund.
 - \$337,503 of facility and utility related costs normally paid for by the General (100) Fund
 - \$443,621 in allocated Administrative/Support costs

Total Transports in FY 2016/17	4,236
Allocations	\$781,124
FY 2016/17 Annual Revenue	\$2,493,455
FY 2016/17 Annual Actual Ambo Ops Costs	\$1,712,331
Average Ambo Revenue Per Month	\$207,788
Monthly Actual Ambo Cost	\$142,694
Ambo Revenue Per Transport	\$588
Ambo Cost Per Transport	\$404

Transport Revenue



Medicaid Update

SUPERSTITION				
Date of Service: 01/01/2016 - 9/30/2016 All Medicaid accounts				
Status	Total of Accounts	Percentage of total accounts per Status	Already Received Payments	Expected Revenue (\$ 59%)
Further Action Needed	9	1.15%	\$570.08	\$5,815.57
Recently Invoiced	7	0.90%	\$1,645.41	\$2,815.74
More Time for Appeal to Process	4	0.51%	\$1,029.21	\$1,308.70
Mercy Care Portal	23	2.90%	\$2,564.00	\$13,042.18
Short Appeal Follow Up	12	1.54%	\$4,118.74	\$2,263.87
Appeal Follow Up	7	0.90%	\$1,481.90	\$2,815.82
Completing Short Pay	29	3.72%	\$11,100.02	\$2,835.97
Re-appeal mailing through FedEx	62	7.93%	\$31,771.74	\$24,597.71
Paid BLS Paid - account was approved as ALS	1	0.13%	\$958.31	\$86.25
Appeal denied	61	7.84%	\$25,114.28	\$14,787.97
Reprocessed - payment not BLS	19	2.42%	\$6,718.48	\$934.47
Times Flag	114	14.62%	\$20,842.50	\$45,868.68
Not Arizona Medicaid Patient	18	2.31%	\$4,430.37	\$433.43
No Additional Payment	84	10.77%	\$38,287.28	\$0.00
Paid Correctly	378	48.18%	\$285,890.49	\$1,394.64
Grand Total	780	100.00%	\$411,145.66	\$128,591.05
			Expected Revenue	\$66,490.28

Community Service Events

- July 18th Salvation Army Day Camp Fire Station Tour with 263
- July 26th Phoenix Children's Hospital Drowning Impact Awareness Month Purple Ribbon Kick-Off Event
- August 1st City Council Meeting - Tina will accept the Mayor's proclamation, proclaiming August as Drowning Impact Awareness Month

