



Superstition Fire & Medical District

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Governing Board Work Session Meeting Minutes

January 28, 2019

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 WORK SESSION ON MONDAY, JANUARY 28, 2019. THE MEETING WAS HELD AT THE SUPERSTITION FIRE & MEDICAL DISTRICT'S ADMINISTRATION OFFICE, 565 N. IDAHO ROAD, APACHE JUNCTION, ARIZONA.

THIS WORK SESSION WAS OPEN TO THE GENERAL PUBLIC AND BEGAN AT 4:00 PM.

A. Call to Order

Chairman House called the meeting to order at 4:00 PM.

B. Pledge of Allegiance

The Pledge of Allegiance led by Director Moeller.

C. Roll Call

Board Members in attendance were Chairman Todd House, Clerk Kathleen Chamberlain, Director Jeff Cross, Director Jason Moeller and Director Larry Strand.

Senior Leadership Team in attendance were Fire Chief Mike Farber, Assistant Chief Richard Mooney, Assistant Chief Rick Ochs, Finance Director Roger Wood and Administrative Services Director Anna Butel. Board Secretary and HR Generalist Sherry Mueller attended.

1. Call to the Public. (BOD #2019-01-N/A)

None.

2. Discussion on SAFER Grant projections. (BOD #2019-01-01)

Finance Director Roger Wood gave a forecast for the SAFER Grant and DROP replacement planning attrition. We currently have 14 people in DROP. Roger provided a model/tool spreadsheet that will show possible outcomes for future fiscal years considering all replacement costs for all 14 DROP retirees and also to look at how we handle the cost-sharing and the benefits of the SAFER Grant. The first 2 years of the SAFER Grant, the Federal Government covers 75%. The third year they cover 35%, then after that we are on our own. We have to be able to plan through that as we add 7 people before losing most of our DROP. Roger is also taking into consideration the separation earned leave buyout costs for all the retirees. The main variations that can be changed in the model/tool are changes in NAV, changes in PSPRS and ASRS, Benefit Dollars, projected increases in wages and non-wage budget categories. During the SAFER Grant performance period, we must maintain a 90-Firefighter headcount. After the performance period, we can drop to an 86-Firefighter headcount. Roger also assumed all the changes in wages, retirement contributions and benefit dollars are all reflected in the re-stacking. The one line item on the model/tool that indicates if we are doing well (or not) is the financial reserve line. We cannot have a financial reserve less than 5% of our revenue. We will have to manage each budget year individually as the circumstances present themselves, to balance the budget year over year.



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The good news is there is a lot of projected growth for the city of Apache Junction with new homes and new businesses forecasted for the near future. The growth that we are seeing should largely offset an economic slow down.

3. Discussion Educational Requirements. (BOD #2019-01-02)

Chief Mike Farber talked about our current educational requirements. He believes we need both experience and education. The current educational requirements were voted on in 2015. The Battalion Safety Officer position is an appointed position. Chief Farber feels that any current Captain should be able to fill the BSO position. Since it is an appointed position, he would like to remove the degree requirement for BSO. He also believes that for the position of Battalion Chief, it shouldn't require a Bachelor's degree. The Engineer position has educational requirements but not everybody had them. Also, not everyone knew of these requirements for Engineer. We are providing the three classes and giving everybody a year to get them completed. Chief Farber presented proposed changes to our educational requirements on a PowerPoint slide. He removed the BSO from the list. Chief Farber suggested that we have a committee to find out what other agencies require. Labor agreed a committee would be a good idea. Director Cross is not in favor of lowering educational requirements. He believes in educational requirements and hiring from within, but concerned that maintaining the higher educational requirements might reduce the pool for those promotions. Firefighter Andrew Tryon believes a Battalion Chief should have an Associate's Degree but not a Bachelor's degree. Director Moeller feels that a Bachelor's degree should be required for Assistant Chief and above. He believes that someone with experience is more valuable than someone with education. Director Cross stated that some agencies give 5 preference points for being a veteran or 10 preference points for years of service or preference points for having an Associate's degree or a Bachelor's degree. Everyone agreed a committee should be formed, gather the information needed and report back to the Board of Director's at the April 2019 meeting.

4. Discussion and possible solutions for Sick Leave Usage. (BOD #2019 01-03)

Chief Mike Farber gave an overview of sick pay-out at retirement vs. paying overtime. A study was done in the State of Washington and it was found that pay-out of sick time at retirement was more favorable than paying overtime. Chief Farber said that sick time is viewed to be not as valuable as it used to be. If we were to decide to payout sick time 100% at the time of retirement, we would not be facing any costs until about 2 years from now. Finance Director Roger Wood wanted to clarify that paying out sick time 100% would be only at the time of retirement. If someone were to leave before retiring, they wouldn't get paid out for sick time. Currently, an employee can accrue up to 6 months (1,460 hours) of sick, at which time there's a process to buy them down. Director Cross recommended that we set up a 401(a) account for tax purposes. Director Cross suggested we consider buying down vacation and sick on an annual basis. Chief Farber believes in the 100% buyout. He feels this would translate to better morale and there is more value in short-term rewards for the younger members. Chairman House would like Staff to come up with a plan for a 100% buyout at retirement and possibly some other incentives. Director Cross suggests that we pool the members to see what they would prefer. Consideration for a 100% vs. 60% buy out for unused, accrued sick time at retirement to help reduce overtime. This would cost approximately \$250,000 over seven years for the 14 members in the DROP.



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5. Discussion on Overtime. (BOD #2019-01-04)

Fire Chief Mike Farber stated that in 2016, 22% of the time we had compromised units (must have 4 person staffing). In 2017, I was able to reduce that time to 17%. In 2018 it was down to 8% when we added the extra unit. People are coming to work as expected and I don't feel like we're worse than any other agencies in the Valley. One of our neighboring agencies had to brown-out a unit on a holiday. That should never have happened. Others find it hard to get people to come in on the weekends. Some of the causes for our overtime is we have had a lot of injuries, illnesses (one person was out for a year), and Military Leave. One person was gone for 6 months on Military Leave. For the reduction in overtime, we just had 3 people graduate from the Phoenix Fire Academy which will help reduce overtime with one person on each shift. Then in May 2019, we will have 4 more people graduate from the Phoenix Fire Academy. Those 7 people will drastically reduce overtime. Finance Director Roger Wood said one of the values of the PSPRS actuarial model is it might finally be the evidence we need to go back to State Wildland Fire and say you need to change your reimbursement model. Roger and Chief Farber had been talking about this for a long time but they could never put a dollar amount on what it costs the District for heavy wildland participation (overtime, PSPRS costs, etc.). Director Cross said this is a statewide problem. Some agencies have it on their radar and others do not. Chief Farber said many agencies have stopped participating in wildland fires because of this. Chief Farber made it clear that he is not advocating that we get rid of the wildland fire program. We just need adequate reimbursement.

6. Adjourn (BOD #2019-01-06)

Motion by Director Cross at 6:16 PM to adjourn the meeting. **Seconded** by Director Moeller.

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

Governing Board Approval:

Board Clerk Kathleen Chamberlain
Sherry Mueller



**Superstition Fire & Medical District
SAFER Grant / DROP
Replacement Forecast**



FORECAST'S INTENT

The intent of the SAFER Grant / DROP Replacement forecast is to provide a tool that allows District management to model possible outcomes for future fiscal years considering the following variables:

- Replacement costs for all 14 DROP retirees.
- SAFER Grant cost sharing for 7 new hires.
- Separation Earned Leave Buy-Out costs for retirees.
- Changes in NAV, PSPRS and ASRS Contribution Rates, Benefit Dollars, and projected increases in wage and non-wage budget categories.
- Forecast has been built to model changing variables immediately.

SAFER GRANT PERFORMANCE PERIOD

SAFER Grant Update

- SFMD requested 7 of the 12 firefighters in the original grant
- ** Therefore for the next 3 years SAFER requires that SFMD has a minimum of 90 operational firefighters on staff during the performance period of 2/28/19 through 2/28/22*
- Included in 90 operational headcount:
 - 47 Firefighters (includes 7 new hires)
 - 18 Engineers
 - 21 Captains (includes 3 Battalion Safety Officers)
 - 3 Battalion Chiefs
 - 1 Deputy Chief
- Not included: Fire Chief, 2 Assistant Chiefs, Training Captain

SAFER GRANT/DROP RETIREE SCHEDULE

FY 2018 / 2019 – Add 7 SAFER Grant new hires
 FY 2019 / 2020
 FY 2020 / 2021 – Farber (5/2021), Blackstone (6/2021)
 FY 2021 / 2022 – Kuhn (8/2021), Ochs (12/2021)*, Colby (2/2022), Perkins (2/2022), Gereg (5/2022)

** To maintain the 90 operational headcount level required by the SAFER grant, the forecast assumes hiring replacement for Farber, Blackstone, Kuhn, and Ochs. The plan is to then let attrition allow the operational headcount level drop to 86.*

SAFER GRANT/DROP RETIREE SCHEDULE

FY 2022 / 2023 – Bessee (12/2022)
 FY 2023 / 2024 – Brooks (8/2023)**, Johnston (9/2023), Wyatt (10/2023), Paul (12/2023), McKinney (2/2024), Christensen (2/2024)
 FY 2024 / 2025
 FY 2025 / 2026

*** To maintain the 86 operational headcount level, new hire replacements will occur starting with and continuing after Brooks' retirement.*

ASSUMPTIONS IN ANALYSIS

- When a DROP participant retires, active ranks are "restacked". For example, if an Assistant Chief retires, it is assumed that a BC will be promoted to AC, a Captain will be promoted to a BC, a firefighter will be promoted to Captain, and a new firefighter is hired.
- Step increases at the appropriate anniversary dates of each restacked rank are included.
- The restacking is planned in the month following the DROP retiree's departure.
- Assumed changes in wages, retirement contributions, and Benefit Dollars are reflected in the restacking.

ASSUMPTIONS IN ANALYSIS

- The wage and benefits (Benefit Dollars, Medicare) cost savings resulting from the DROP retiree's departure are reflected.
- Estimated vacation and sick leave accrual buy-outs are included at the retiree's final hourly rate. Sick leave accrual levels are factored to reflect current policy.
- FY 2018/2019 budget is the foundation for the financial forecast.
- Starting in FY 2019 / 2020, the SAFER Grant cost sharing and the replacement costs after the Grant ends are reflected as "net" in the SAFER/On-Going Cost line. "Net" means the savings of retiree departures are added to the cost of replacements to determine the net cost to the District.

SCENARIOS

- The forecast model allows the Board and Staff to see the potential impact due to changes in the assumption of:
 - Changes in NAV growth which directly impacts tax revenue
 - Changes in wages cost
 - Changes in pension costs for the District (PSPRS and ASRS)
 - Changes in Benefit Dollars (the way the District provides health care benefits to its employees)
 - Changes in all other non-wage, non-benefit expenses

FORECAST



SFMD SAFER Grant / DROP
Replacement Forecast
January 2019

QUESTIONS?



SFMD SAFER Grant / DROP Replacement Forecast
January 2019

Educational Requirements

CURRENT REQUIREMENTS

Position/Title	Current Minimum Requirements/ Years of Experience	Future Minimum Requirements/ Years of Service	Current Required Certifications	Future Required Certifications	Compliance Date
Firefighter	High School Diploma/GED No Exemptions	No Changes	EMT / CPAT	No Change	Current
Fire Engineer	3 Years Consecutive Service with SFMD	No Changes	None	Certificate of Completion Driver/Operator (Perseus file)	January 2017
Fire Captain	3 Years Consecutive Service with SFMD	Associate's Degree - Fire Science, Business, or related field and 5 Years Consecutive Service with SFMD	None	None	January 2016
Battalion Safety Officer	Same as Fire Captain	Associate's Degree - Fire Science, Business, or related field and 5 Years Consecutive Service with SFMD	ISO (Within 1 year of assignment)	No Change	January 2016
Battalion Chief	Associate's Degree - Fire Science/ 2 Years as a SFMD Captain	Bachelor's Degree - Fire Science, Business, or related field and 7 Years Consecutive Service with SFMD / 2 Years as a SFMD Captain	None	CFO (Within 3 years of promotion)	January 2018
Division Chief	Associate's Degree - Fire Science/ 2 Years as a SFMD Captain	Bachelor's Degree - Fire Science, Business, or related field and 7 Years Consecutive Service with SFMD / 2 Years as a SFMD Captain	None	CFO (Within 3 years of promotion)	January 2018
Assistant Chief	Bachelor's Degree/ 3 Years in a Management position with SFMD	Bachelor's Degree Fire Science, Business or related field and 10 years consecutive service with SFMD / 2 years as a SC/OC	None	CFO (Within 3 years of promotion)	January 2016

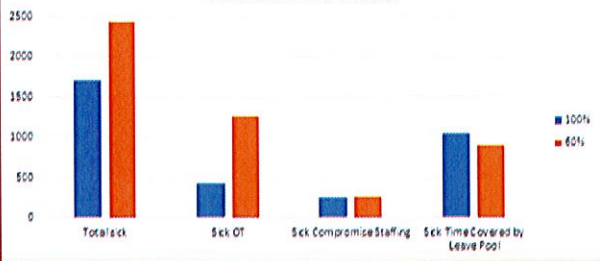
PROPOSED CHANGES

Rank/Position	Grade	Years of Experience	Education
Firefighter	31	NA	High School Diploma/GED
Engineer	39	3 Consecutive Years' Experience with SFMD	PREREQUISITES: FSC 111/FSC 117/ FSC 118 or SFMD Driver/Operator or Arizona State Fire Marshal Driver/Operator in lieu of FSC 111
Captain	45	5 Consecutive Years' Experience with SFMD	Associates Degree Fire Science, Business or related field
Battalion/Division Chief	57	7 Consecutive Years' Experience with SFMD with 2 Consecutive Years as an SFMD Captain	Bachelor's Degree Fire Science, Business or related field
Deputy Chief	61	7 Consecutive Years' Experience with SFMD with 2 Consecutive Years as an SFMD Battalion Chief	Bachelor's Degree Fire Science, Business or related field
Assistant Chief	64	10 Consecutive Years' Experience with SFMD with 3 Consecutive Years as a Battalion or above	Bachelor's Degree Fire Science, Business or related field
Battalion Safety Officer (Assignment)	Incentive \$2,100	5 Consecutive Years' Experience with SFMD	Incident Safety Officer (ISO) within 1 year

Sick Leave

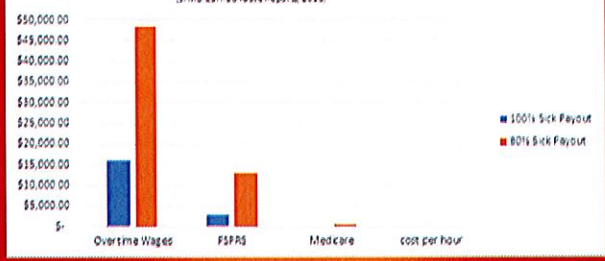
How Sick Leave was Covered 100% vs. 60% Payout

(SFMD Earned Leave Reports, Talsstaff 2018)



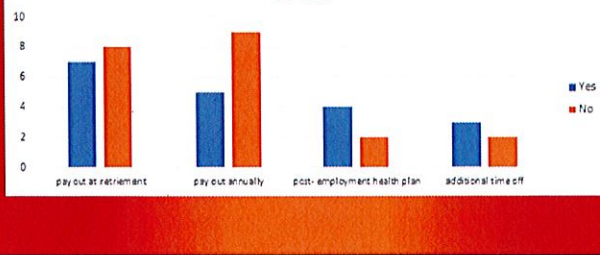
OT Costs

(SFMD Earned Leave Reports 2018)



Are Incentives effective?

(Clark, 2010)



Incentive cost vs OT Costs

(Clark, 2010)

