Superstition Fire & Medical District

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Governing Board Meeting Minutes

May 19, 2021

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, MAY 19, 2021. 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 (VIA CONFERENCE CALL) AND BEGAN AT 5:30 PM.

A. Call to Order

Chairman Chamberlain called the meeting to order at 5:32 PM.

B. Pledge of Allegiance

The Pledge of Allegiance led by Chief Farber

C. Roll Call

Board Members in attendance were Chairman Kathleen Chamberlain, Clerk Jeff Cross, Director Jason Moeller and Director Shawn Kurian. Director Todd House was not present.

Senior Leadership Team in attendance were Fire Chief Mike Farber, Finance Director Roger Wood, Assistant Chief Jeff Cranmer and Administrative Services Director Anna Butel. Also in attendance was Lauren Daniel sitting in for Sherry Mueller, Human Resources Generalist and Board Secretary. Legal Counsel William Whittington attended via conference call.

1. Review and approval of the April 2021 financial reports and bank reconciliations. (BOD #2021-05-01)

Motion by Director Moeller to approve the April 2021 financial reports and bank reconciliations.
Seconded by Director Kurian
Vote 4 ayes, 0 nays, **MOTION PASSED.**

2. Recognition of employee performance, achievements, and special recognition for community members. (BOD #2021-05-02)

May Anniversaries

19 Years of Service

Firefighter **Paul Garcia**

Engineer **Robert VandeKrol**

Firefighter / Paramedic **Stephan Wagner**

Five Years of Service

Firefighter **Kevin Montgomery**

Recognition of Fire Chief Mike Farber for his many years of loyal and dedicated service and commitment to the District.

3. **Call to the Public. (BOD #2021-05)**
Due to the Covid-19 virus, the Board Meeting was a closed-door meeting to the public. A notice was posted on our website, front door, Regional Training Center and Station 264 with our conference call number and pin code if anyone from the public wanted to call in and listen to the meeting. There was no person from the public over the conference phone.
NONE

4. **Consideration and possible approval of all consent agenda items listed below (BOD #2021-05-03):**

   A. A. Board Meeting Minutes from April 21, 2021
   B. Combined Resolution Affecting County Treasurer Transactions for Fiscal Year 2021 / 2022 from the Pinal County Treasurer's Office
   C. United Healthcare renewal confirmation for FY21/22
   D. Aetna - Employee Assistance Program (EAP) Renewal

Motion by Director Moeller to approve all consent agenda items for May 19, 2021.

Seconded by Clerk Cross
Vote 4 ayes, 0 nays, **MOTION PASSED**

5. **Presentation, discussion and possible direction of Fiscal Year 2021/2022 Budget development. (BOD #2021-05-04)**

100 Fund Revenue
- NAV Increase = 6.57%
- Tax Rate = $3.25 per $100 NAV
- Total Tax Revenue = $15,823,173
- FY21/22 Increase = $944,178

100 Fund Expense
Major or New Expense Increases:
- Sworn step increases, hire 4-5 firefighters to replace departures: +$132,641
- Shift Overtime: +$65,000
- PSPRS: +$190,123
- Benefit Dollars: +$140,003
- SAFER reimbursement (35%) ends 2/28/2022: -$272,203
- Financial Reserve replenishment: +$234,357
- Dispatch fees: +$67,587
- HR Training Overtime: +$10,624
- Employee PTSD Counseling: +$3,036
- Pension Board Legal Expense: +$14,600

150 Fund Revenue

Budgeted Transports:

-1.0% from FY20/21 Actual / Budget (-48, -12, -60)

-2.1% from FY20/21 Budget (-49, -65, -114)

No automatic increase applied for

Actual increase was -0.3%

Net transport revenue change: +$40,009*

*Increase is due to lag in cash from prior FY transports

150 Fund Expense

Major or New Expense Increases:

- Normal step increases: +$111,910
- Benefit Dollars: +$31,246
- Dispatch fees: +$30,711
- HR Training Overtime: +$1,174

FY21/22 Budget – Authorized Headcount

Job Group / Range - Fiscal Year 2021 - 2022		
	Position	Number Authorized
	Administrative Staff Positions	
	Fire Chief	1
	Assistant Chief	2
	Deputy Chief	1
	Finance Director	1
	Administrative Services Director	1
	Transportation Services Manager	1
	Fleet Manager	1
	Emergency Medical Services Coordinator	0
	Fire Inspector / Community Risk Reduction Specialist	1
	Information Systems Coordinator	1
	Fire Mechanic II	2
	Fleet and Facilities Support Specialist	1
	Human Resources Generalist - Benefits & Employment	1
	Account Clerk Specialist	2
	Administrative Specialist - Training & EMS	1
	Suppression Positions	
	Battalion Chief - Operations	3
	Battalion Chief / Division Chief - Training	1
	Captain	21
	Captain - Training Officer	1
	Engineer	18
	Firefighter (includes 5 new hires)	49
	Transport Division Positions	
	Full Time Civilian Paramedic - 56 hour shift	12
	Full Time Civilian EMT - 56 hour shift	12
	Total Number of Positions Authorized:	134

200 Fund Revenue

NAV Increase = 6.57%

Tax Rate = $0.25 per $100 NAV

Total Tax Revenue = $1,178,322

FY21/22 Increase = $72,630

Final Year of 5-Year Special Capital Assessment

200 Fund Expense

Total Planned Purchases: $557,535

- Building & Systems: $36,538
    - New Flooring at S261 (carried over)
    - Three (3) AC unit replacements
- Vehicles / Apparatus: $263,373
    - Clean Cab Standards ($35,000 carried over)
    - 2016 Pumper Lease payment
    - 2014 Tanker Lease payment
    - Staff Truck contingency
- Apparatus Equipment: $5,300
    - New BC Truck Topper
- Communications Microwave Upgrade: $77,680
    - TOPAZ Capital Assessment
- Communications System Software: $21,645
    - G2 System Upgrades
- Portable Radios: $54,000
    - Five (5) Dual Band Portable replacement radios
- TRT Equipment: $30,000
    - Paratech 12 Shore Trench Kit
- EMS Capital Equipment: $57,000
    - Three (3) Heart Monitors
    - Five (5) Laryngoscopes
    - LifePak AED Replacements
- Computer Equipment: $2,000
    - ePCR Tablets
- Fitness Equipment Contingency: $10,000

500/600 Funds

NAV Increase = 6.57%

Tax Rate = $0.13 per $100 NAV (down $0.02 cents)

500 Fund

Tax Revenue = $520,308

Debt Principal Payment = $586,000

600 Fund

Tax Revenue = $91,819

Debt Interest Payments = $107,229

NAV Increase = 6.57%

Tax Rate = $0.13 per $100 NAV (down $0.02 cents)

500 Fund

Tax Revenue = $520,308

Debt Principal Payment = $586,000

600 Fund

Tax Revenue = $91,819

Debt Interest Payments = $107,229

FY21/22 Budget Next Steps
June 16, 2021
- Tentative Budget to be presented to Board and Public

June 17, 2021
- Minimum 20-day public comment period starts

July 21, 2021
- Final Budget to be presented to Board for approval

6. Discussion and possible adoption of Resolution 2021-05-19-15 authorizing the establishment of a line of credit ("LOC") with Wells Fargo for Fiscal Year 2021 / 2022. (BOD #2021-05-05)

A.R.S. §11-604.01 states that a fire district may establish a LOC with the county's contract servicing bank with the assistance of the county treasurer. The establishment of a LOC is the predominant method of short term financing used by fire districts to finance operations during the absence of secondary property tax receipts. 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. Establishing a LOC requires a resolution of the fire district elected body and approval of the county servicing bank. Under A.R.S §11-604.01 parameters, the District could establish a maximum LOC of approximately $4.75 million.

The LOC is serviced by Wells Fargo bank who requires Board approval of the establishment and requested limit of the LOC for each fiscal year. The recommendation is to maintain an LOC of $2.0 million to ensure cash-on-hand to cover payroll and essential non-payroll expenses in the time before the District receives it first half of tax revenue on or about November 1, 2021. There is no cost to establishing an LOC if it is not used.
Due to the new contract between Wells Fargo and the Pinal County Treasurer's Office, the interest rate for the LOC is now 3.25%, and is subject to change as the Prime Rate changes. This underscores the need for the District to use the LOC as minimally as possible to keep the overall interest cost as low as possible.

Motion by Clerk Cross to adopt Resolution 2021-05-19-15 authorizing the establishment of a line of credit ("LOC") with Wells Fargo for Fiscal Year 2021 / 2022.

Seconded by Director Kurian
Vote 4 ayes, 0 nays, **MOTION PASSED**

7. Discussion and possible decision regarding the PSPRS unfunded liability refinancing opportunity. (BOD #2021-05-06)

Presentation by Finance Director Roger Wood – PSPRS Refinancing Opportunity
C + I = B + E
- Contributions (employer and employee)
  - System wide employer 38%, employee 17% of total PSPRS assets
- Investments (at assumed 7.3% rate of return)
  - System wide 45% of total PSPRS assets
- Benefits
- Expenses

- PSPRS Unfunded Liability
- Assets minus Liabilities = Unfunded Liability
- Assets: Market Value of assets in today's dollars
- Liabilities:
    - All pension benefits earned as of today
    - Plus all future pension payments to be paid
    - Benefits discounted to present value at 7.3% assumed actuarial rate (same as rate of return on assets)
- Goal is to reach 100% funded level.
- Important to recognize additional benefits will continue to accrue.
- Also investment performance less than 7.3% assumed rate of return will increase liabilities.
- Refinancing opportunity will include 3 years of debt payments as reserve to compensate for these potential liability increases. Reserve funds to be retained in separate restricted fund.

Next Steps:

Week of May 24:

- Preliminary Official Statement (POS) to be prepared, and S&P rating application to be submitted to Stifel.

By June 3:

- Draft resolution and lease financing documents including POS to be submitted to Stifel Finance Team for review.
- Board packets to be compiled by SFMD Finance in preparation for June 16 Board meeting.

Week of June 14:

- Stifel Financing Team to conduct due diligence teleconference with Greenburg Traurig, Squire Patten Boggs (underwriter counsel) and SFMD representative(s).
- SFMD and Stifel to conduct teleconference with S&P analysts.

June 16:

- SFMD Board to consider resolution authorizing issuance of COPs with parameters, delegating authority to approve the Preliminary Official Statement and S&P rating application submitted to Stifel.
- SFMD Board to adopt FY21/22 budget including COPs issuance and PSPRS payment.

Week of June 21:

- S&P credit rating to be received. Preliminary Official Statement (POS) to be finalized and POS Certificate to be signed by SFMD Finance. POS to be distributed to potential investors.

Week of June 28:

- Premarketing of COPs including potential for investor presentation as needed.

Week of July 5:

- First likely week for COPs sales to be completed over several hours on morning of target sale date. Stifel Finance will monitor pricing on-line.
- Purchase agreement to be executed between Stifel and SFMD.

Week(s) After Sale.

- COPs will close, proceeds will be wired to PSPRS and SFMD (for contingency reserve).

Week of July 5:

- First likely week for COPs sales to be completed over several hours on morning of target sale date. Stifel Finance will monitor pricing on-line.
- Purchase agreement to be executed between Stifel and SFMD.

Week(s) After Sale.

- COPs will close, proceeds will be wired to PSPRS and SFMD (for contingency reserve).

Motion by Director Moeller to approve a Standard & Poor's credit rating for the District in support of the PSPRS Refinancing Initiative.

Seconded by Clerk Cross
Vote 4 ayes, 0 nays, **MOTION PASSED**

8. **Discussion and possible approval of the Nationwide Fixed Indexed Annuity Contract Amendment to the Deferred Compensation Administration Plan between Superstition Fire & Medical District and Nationwide Retirement Solutions. (BOD #2021-05-07)**

In April 2014, the Board approved the transition to Nationwide Retirement Solutions ("Nationwide") to become the District's Deferred Compensation 457 Fund provider.

As the result of the passage of the SECURE (Setting Every Community Up for Retirement) Act on December 20, 2019, retirement plans like the District's Nationwide 457(b) plan must implement investment plans that make it easier for investors to understand, and are less expensive to administer. As a result, Nationwide is now providing the "Nationwide Indexed Principal Protection (IPP)" savings option.

Staff is asking the Board to sign the Nationwide Fixed Indexed Annuity Contract Amendment to allow those District employees who want to use this investment opportunity within their individual 457(b) Deferred Compensation accounts.

Motion by Clerk Cross to approve the addition of the Nationwide Indexed Principal Protection savings option to the investment options available to District employees within the District provided Deferred Compensation 457(b) Plan."

Seconded by Director Moeller
Vote 4 ayes, 0 nays, **MOTION PASSED**

9. **Discussion and possible approval of Disposition of Property (Fire Chief Computers & iPhone). (BOD #2021-05-08)**

This item was pulled from the agenda for a future executive session.
No Motion

10. **Discussion and regarding the SWAT Agreement with AJPD. (BOD #2021-05-09)**

Staff has been working with the Apache Junction City Manager and Assistant Manager on revising our Intergovernmental Agreement (IGA) between the District and The City of A.J. The SWAT Team was in existence for 32 years, until 2015 based on the relationship of the previous administration and the Apache Junction Police Department. Currently, we have six Fire District SWAT Medics who have successfully completed the testing process and have been training with AJPD for the past 7 months on a voluntary basis during off-duty time.

The City of A.J. has been covering equipment and training costs for our personnel. Currently, the City Staff has worked with their insurance carrier to cover our personnel when on SWAT assignments.

Director Kurian discussed the advantage of the advanced training our SWAT Medics are receiving. He also mentioned that this program is advantageous to the city and they should be willing to pay the overtime.

Clerk Cross brought up concerns he has relating to money. Who will pay for workers compensation, overtime, equipment and vests, the storage of equipment, staffing issues, crew safety and back-filling when our people are are working as SWAT Medics.

11. Discussion and presentation of the following Policies brought for review at the April 21, 2021 Board Meeting for final approval at the May 19, 2021 Board Meeting. (BOD #2021-05-10)

1044 – Member Speech, Expression, and Social Networking
1051 – Work Schedules
1052 – Special Leaves
1053 – Earned Leave

Motion by Director Moeller to approve policies: Member Speech, Expression and Social Networking, Work Schedules, Special Leaves and Earned Leave."

Seconded by Clerk Cross
Vote 4 ayes, 0 nays, **MOTION PASSED**

12. Discussion and possible approval of the new Guardian IDS Agreement replacing AccuSearch for online background checks as it relates to the pre-employment process. (BOD #2021-05-11)

SFMD has been using AccuSearch for many years in the pre-employment process for the seven-year, online background checks. Guardian IDS took over AccuSearch and have a new contract for approval. The cost stays the same as it was previously with AccuSearch ($59 per background check)

Motion by Director Moeller to approve

Seconded by Director Kurian
Vote 4 ayes, 0 nays, **MOTION PASSED**

13. Discussion and possible approval of Resolution #2021-05-19-16 for the annexation of undeveloped Arizona State Land Trust property (BOD #2021-05-12)

The undeveloped area is from the CAP Canal on the West and go through undeveloped State Land to Highway 79. From the North, the annexation boundaries will go from Highway 60 (which is already a part of the District) and go South to the Germaine alignment.

There is no cost in the acquisition of this land. There is enormous potential for tax revenue when this land is developed in the future.

Once the Board approves the annexation request, the property will become part of the District after 30 days. At that point, the annexation will be recorded by the county.

Resolution / annexation not ready at this time for approval. This matter will be added to a future meeting agenda.

No Motion

14. Reports (BOD #2021-05-13)

Senior Leadership Team (SLT):

Fire Chief Mike Farber

- Federal Earmark Grants
  - Cardiopulmonary Resuscitation Assist Device (Lucas Device) $125,000
  - Three Life Pak 15 Cardiac Monitors $150,000
- New Fire Truck E261
- Captain's Conference – Modern Fire Behavior on Structure Firefighting including Ventilation on Residential and Commercial Fires.
- Process for acquiring a building for Live Fire Training
- Chief Fire Officer designation from the Center for Public Safety Excellence
- Thank you to the Fire Board for allowing me to implement my vision!

Assistant Chief Jeff Cranmer

- Fire Incidents
- Crew training
- TRT training
- EMS training

Assistant Chief Jeff Cranmer

Planning & Logistics

- New E261 has been placed into service.
- Reserve apparatus review

Fire Prevention – Community

- Tina Gerola has completed her second Arson Investigation Class and now has an Arson Investigator I Certification
- Business Inspections update
- SFMD is participating in Superstition Harley Davidson's Safety Event this Saturday.

Growth & Development

- The Residence at Apace trail.
- Apartment complex planned south of Broadway road and west of Tomahawk.
- Old West Highway Retail
- Ranch 160 development

Administrative Services Director Anna Butel

- Windows 7 Panasonic Toughbooks reached end of life and were replaced with iPads.
- Migrated the Website to a new server on GoDaddy
- Transportation Services Hiring:
  >Open until Sunday, May 23rd at 11:59pm
- New Hire Michael Gallagher, EMT on 5/10/2021

15. New Business / Future Agenda Items. (BOD #2021-05-14)

Chairman Chamberlain would like to schedule an Executive Session for the week of 5/24/3032. Chairman Chamberlain directed the Board that Friday, May 28th, 2021 at 9:00 a.m. is the date/time for the next Executive Session.

16. Announcements (BOD #2021-05-15)

Chairman Chamberlain thanked Assistant Chief Ochs for coordinating the retirement party for Chief Farber, thank-you to Lori Hlavin for coordinating the food, to Dan McKinney for creating the video and to Assistant Chief Mooney for coordinating the retirement items that were presented to Chief Farber.

17. Adjourn (BOD #2021-05-16)

Motion by Director Moeller to adjourn the meeting at 7:52 **p.m.**

Seconded by Director Kurian
Vote 4 ayes, 0 nays. **MOTION PASSED.**

Governing Board Approval:

Board Clerk Jeff Cross
Sherry Mueller