

Mayer Fire Board
Special Study Session Meeting Minutes
Monday January 26, 2015 4:00 PM
Mayer Fire Administration Office

1 ***Call to order.***

Chairman Ashton called the meeting to order at 4:00 P.M.

2 ***Roll call.***

Present were Chairman Ashton, Clerk Coe, Member Wesolowski and Member Williamson. Member Dodge arrives at 4:22.

3 ***Pledge of allegiance.***

4 ***Special study session for the Board regarding;***

a) Review of AFDA (Arizona Fire District Association) conference materials.

Chief Brown went over the different classes that were presented at AFDA (Chief Brown said after the Board members reviewed the handouts if they had questions to ask Member Williamson or himself.) There was discussion about how the fire department handles medical marijuana. Chief Brown said in Arizona it is handled like alcohol and prescription drugs and one cannot be under the influence while at work. There was discussion about working together with Sun City, Daisy Mountain and Black Canyon City with something like a Joint Powers Authorities. All the Districts stay but you have an over-powering agreement that you work together. In a merger all the Districts go away and the new bigger District governs everything. One problem with a merger is you lose your Fire District's Assistance Tax (FDAT). If your FDAT is \$400,000 (each) and you merge you still only get \$400,000. There was discussion about merging.

b) Public Safety Personnel Retirement issues and future.

Chief Brown said there are concerns that the overall Public Safety Personnel Retirement System (PSPRS) is not sound. He spoke about laws passing that increase the cost to personnel and departments. He spoke about laws that have passed that affect PSPRS. He spoke of how the lawsuit that was won affected MFD and MFD having to pay back for the previous three years money we should have paid. He directed the Board to the handout sheet that said Contribution Requirements (only for MFD) and went over the different amounts and what is being proposed for corrections. There was discussion about the PSPRS system. If paid over a three year period the rate would be 14.84 percent (versus 17.47 percent).

c) Gas pipeline settlement.

Yavapai County Assessor's Office traditionally sets the values of our properties. If the property is centrally assessed property (anything that goes across district lines) the values are set by the Department of State Revenue. Eight years or so ago they valued the gas pipeline. The company sued (Transwestern Pipeline) and after several years the State Department settled. MFD (or any other districts) did not have a say and we didn't find out until right before the settlement. Chief Brown talked about the payment and being able to pay back over three years plus interest (\$14,078 per year).

d) Security Benefit Trustee issue.

Chief Brown said we have two retirement systems, Security Benefit and Nationwide. Security Benefit sent us a letter that basically said our parent company has pleaded guilty to a number of Federal Infractions but it doesn't affect you (MFD) at all. Chief Brown went on to say after getting the letter and having a conversation about Mayer's contract with Security Benefit they also said they were no longer willing to be our Trustee. They wanted Mayer Fire to have their own Trustee. He said in order to get our documents in place by the end of the calendar year we signed them saying that I (Glenn Brown) was the Trustee. He said he was uncomfortable with being the Trustee. The Trustee makes sure the money gets invested properly and gets the proper return. Nationwide was called and they said they are going to continue being our Trustee. Security Benefit was contacted and they said we could contract with someone (pay them) to be our Trustee. He recommended that we get rid of Security Benefit and switch to Nationwide. If we no longer have an agreement with Security Benefit those employees that have money in Security Benefit can choose to leave it in or move it or move part of it to Nationwide. This will remove Glenn Brown and the District from liability from being the Trustee. There was further discussion.

e) Budget / financials

Chief Brown talked about MFD's tax being raised to 3.25 percent to get out of dept. He said the downturn in the economy affecting the fire districts is not a MFD issue but one that affects all the districts. Sixty-one fire districts were in immediate risk of continued service reductions heading into next fiscal year. MFD was at risk until we got the SAFER grant. The SAFER grant will keep us for a couple of years. He went over the MFD budget history for 2004-2005 fiscal to estimated 2018-2019. We have been almost promised by the County to increase five percent a year. We are pretty sure that we will go up five percent a year so that is what we are estimating. Clerk Coe asked if this encompasses the SAFER grant. Chief Brown said the only thing the SAFER would affect is our budget amount and this does not represent revenue from the SAFER. Chief Brown said he would update this and get it to the members. He went on to say he has started the budget process for next year. February 10th Yavapai County is required to give us our tax values. Once we get those it drives the rest of the tax budget process because that is our starting point. He talked more about the possibility of the five percent going up higher due to the APS property. He explained the process of going back and forth with Labor and then we will take it through the Budget and Policy Committee. We have always adopted it by the Board in the July meeting (technically doesn't have to be adopted until August 10th).

f) Community Integrated Paramedicine.

Chief Brown said what we know about Paramedic service in the future is it is going to drastically change. A lot of it is being driven by the affordable care act. He gave an example. If a patient goes back to the hospital within thirty days the hospitals get fined. The hospitals and ambulance services will be working together and if MFD ambulance checks on the patient and takes their vitals and make sure they are taking their meds that information will be sent to the doctor and the hospitals will pay MFD. He also talked about the ability for paramedics to treat a patient and not transport. There was discussion about liability.

g) Bond status.

Chief Brown said about 2006 we went to the voters about the ability to sell \$2,000,000 in bonds. Bonds are just like a loan. We sell the stock and then pay it back over thirty years at whatever the rate is. A consortium sold over \$200,000,000 dollars in bonds and \$745,000 of it was (MFD's). Because they were selling such a high amount we got a great rate. We went back in 2009 and sold another \$180,000. We have sold \$920,000 in bonds. We are estimating the County will be charging about .18 cents. If the assessed value goes up five percent (as we think it will) then the bond will go down five percent. We have the ability to sell another \$1,075,000 in bonds. That would take our tax rate from \$.18 cents to \$.36 cents. There was discussion about station 23. There was discussion about vehicles.

5 Set future meeting dates.

None needed.

6 Adjournment.

Chairman Ashton called the meeting adjourned at 5:15 P.M.

Paul J. Coe 5/18/15
Clerk Coe Date