



UNIFIED FIRE AUTHORITY BOARD AGENDA

November 19, 2019 7:30 a.m.

NOTICE IS HEREBY GIVEN THAT THE UNIFIED FIRE AUTHORITY BOARD OF DIRECTORS SHALL ASSEMBLE FOR A MEETING AT UFA HEADQUARTERS LOCATED AT 3380 SOUTH 900 WEST, SALT LAKE CITY, UT 84119

1. Call to Order – Chair Dahle
2. Public Comment
Please limit comments to three minutes each
3. Minutes Approval – Chair Dahle
 - a. October 15, 2019
4. Approval of 2020 UFA Board Meeting Schedule – Chair Dahle
5. Consent Agenda
 - a. Review of October Disbursements – CFO Hill
6. Committee Updates
 - a. Benefits & Compensation Committee (none) – Chair Dahle
 - b. Governance Committee (none) – Chair Silvestrini
 - c. Finance Committee (11/6/19) – Chair Stewart
7. Review and Approval of FY18/19 Financial Report and Audit
– Council Member Stewart/CFO Hill
8. Consider the Date of December 17, 2019 for a Public Hearing to Receive and Consider Comments on Proposed Amendments to the 2019-2020 Fiscal Year Budget
– CFO Hill
9. Consider Resolution 11-2019A Adopting the Revised Interlocal Cooperative Agreement to Revise and Restate the Creation and Governance of the Unified Fire Authority – CLO Roberts
10. Facilities Usage Draft – CLO Roberts
11. Consideration to Form an Ad Hoc Group for Merit Commission Appointment
– Assistant Chief Ziolkowski/Arri Woolf, HR Director

12. Fire Chief Report
 - a. 2019 Accomplishments - Draft
 - b. Assistant Chief Promotion
 - c. Firefighter Hiring Update
 - d. Business Technology and Intelligence Manager

13. Possible Closed Session

The Board may consider a motion to enter into Closed Session. A closed meeting described under Utah Code Section 52-4-205 may be held for specific purposes including, but not limited to:

- a. discussion of the character, professional competence, or physical or mental health of an individual;
- b. strategy sessions to discuss pending or reasonably imminent litigation;
- c. strategy sessions to discuss the purchase, exchange, or lease of real property;
- d. discussion regarding deployment of security personnel, devices, or systems; and
- e. investigative proceedings regarding allegations of criminal misconduct.

A closed meeting may also be held for attorney-client matters that are privileged pursuant to Utah Code § 78B-1-137, and for other lawful purposes that satisfy the pertinent requirements of the Utah Open and Public Meetings Act.

Re-Opening the Meeting

14. Executive Employees Performance and Compensation Review – Chair Dahle
15. Adjournment – Chair Dahle

NOTICE OF STATION LOCATION SOFTWARE DEMONSTRATION FOR THE UFSA BOARD
November 19, 2019
Following the UFSA Board Meeting

Notice is hereby given that Unified Fire Authority and Unified Fire Service Area will hold a demonstration of station location software, at which a quorum of either Board may be present, following the UFSA Board Meeting. This demonstration is for educational/discussion purposes only, and neither Board will take any action on any item. This will be held at the UFA Headquarters located at 3380 S. 900 W in Salt Lake City.

**The next Board meeting will be December 17, 2019 at 7:30 a.m. at
UFA EOC located at 3380 South 900 West, Salt Lake City, UT 84119**

THE PUBLIC IS INVITED TO PARTICIPATE IN ALL UFA MEETINGS.

In accordance with the Americans with Disabilities Act, UFA will make reasonable accommodation for participation in the meetings. Please call the clerk at least three working days prior to the meeting at 801-743-7213. Motions relating to any of the foregoing, including final action, may be taken at the meeting. This meeting may be held telephonically/electronically to allow a member of the UFA Board to participate. This agenda is subject to change with a minimum 24-hour notice.

CERTIFICATE OF POSTING

The undersigned, does hereby certify that the above agenda notice was posted on this 18th day of November 2019 on the UFA bulletin boards, the UFA website www.unifiedfire.org , posted on the Utah State Public Notice website <http://www.utah.gov/pmn/index.html> and was emailed to at least one newspaper of general circulation with the jurisdiction of the public body.

Cynthia Young, UFA Board Clerk



UNIFIED FIRE AUTHORITY BOARD MINUTES

October 15, 2019 7:30 a.m.

Emergency Operations Center – 3380 South 900 West SLC, UT 84119

Notice: Some Board members may participate by electronic means.

1. Call to Order
Quorum was obtained
Chair Dahle called the meeting to order at 7:35 a.m.
2. Public Comment
None
3. Approval of Minutes
Minutes for the September 17, 2019 UFA/UFSA Joint Meeting were not approved and will be held until the next UFA/UFSA Joint Board Meeting, date TBD

Mayor Silvestrini moved to approve the minutes from the September 17, 2019 UFA Board Meeting as submitted

Council Member Stewart seconded the motion

All voted in favor

4. Consent Agenda
 - a. Review of September Disbursements
 - CFO reviewed the disbursements
 - No questions

Mayor Overson moved to approve the September disbursements as submitted

Mayor Peterson seconded the motion

All voted in favor

5. Quarterly Financial Report
 - CFO Hill reviewed the quarterly financial report
 - Mayor Dahle asked if there were any real outliers that are of concern
 - CFO Hill stated that the quarter was as expected

Mayor Hale moved to approve the quarterly financial report including the list of expenditures for the last quarter as presented

Council Member Perry seconded the motion

All voted in favor

6. Committee Updates

- Benefits & Compensation Committee
 - No meeting held
 - Mayor Dahle reminded the Board that benefit data will be captured now and presented by the consultants
 - UFA Human Resources Staff will be capturing and analyzing the comparable data on wages this month and next
 - A meeting will be scheduled soon
- Governance Committee
 - No meeting held
 - Mayor Silvestrini deferred ILA discussion to agenda item #7
- Finance Committee
 - Meeting scheduled for 11/6/19, 8:00 a.m. at the EOC
 - Council Member Stewart invited anyone interested to attend the meeting

Mayor Westmoreland arrived

7. Interlocal Agreement (ILA)

- The Board Packets contained a redline version of the ILA
- The piece regarding the weighted voting is on hold for further debate, but the goal is to work toward approval of the ILA at the November meeting
- Chief Petersen reviewed the memo concerning the weighted voting options that was distributed to Board Members on October 14, 2019
 - Chief reviewed that this topic has been in discussion since late 2017
 - In January of 2019 the Board gave consensus to include a population weighted vote in the draft considerations for the revised and restated interlocal agreement
 - The weighted vote would be triggered by two Board Members on budget adoption or amendment issues only
 - In September of 2018 the County expressed its displeasure with the population weighted vote and requested more considerations for the funding they provide to the UFA
 - From those discussions, Chief Petersen presented a memo to the Board on October 2nd that provided additional weight for the funding of Emergency Management and the canyon fee by the County, Board Members were asked to contact Chief Petersen for additional conversation
 - From those discussions, two additional options were presented for consideration; one strictly on a breakdown of the member fee and another based on 50% funding, 50% population
 - In these proposals, Salt Lake County retains two seats, however they would split the percentage vote
- Chief Petersen asked that Board Members not take a position as of yet, but listen and consider in preparation for the November Board Meeting
 - Conversation revisited the situations when the weighted voting would be enforced
 - Mayor Peterson asked if Governance has reviewed this option and if they have a recommendation
 - Mayor Silvestrini stated that no, as this was an issue for the whole Board to decide upon
- Board Members expressed support for the Member Fee option or the 50/50 option, some indicated that the 50/50 option appeared to balance the options well
- Chief Petersen asked each Board Member if they could support considering the 50/50 option to be incorporated into the draft Interlocal Agreement, reinforcing that this was not a vote of adoption, only a narrowing of options to consider in the future for adoption

- Chief stressed that all members need to review how it impacts their municipality and the county before being asked to vote on this issue
- Mayor Wilson agreed with the concept of dropping to two members, however, very concerned about reducing representation to one
- The hope is to get approval in November so member agencies can take a document to their governing bodies for final consideration
- CLO Roberts stated he had divided the ILA into two classification:
 1. Asks; items that members had requested, but need Board approval and are of more substance
 2. Clarifications; guidelines, definitions, etc.
- CLO Roberts presented an “ask” that Salt Lake Mayor Wilson would like to appoint a Deputy Mayor to represent her on the Board
 - Mayor Wilson expressed her desire to appoint a Deputy Mayor permanently due to her schedule
 - Mayor Silvestrini agreed that there would be more value in a Deputy Mayor who is engaged and still connected to the Mayor’s office and budget
 - UFSA Counsel Anderson stated that State Statute requires an elected official for the UFSA Board
 - Surveyor Demman stated that the SLCo Council would like to appoint any SLCo elected official
 - Mayor Dahle pointed out he believes that it is important that the representative on the Board be selected by the public, as it is the public’s money being spent
 - Mayor Peterson is in support of having a Deputy Mayor, but also support an elected official or council member as well
 - It was the consensus to allow a Deputy Mayor, Chief Petersen asked the Board to consider Surveyor Demman’s request for any elected official to be qualified to represent the County
 - By consensus, the Board does not support this proposed change and wishes the draft agreement remain an elected official of the governing body
- CLO Roberts presented an “ask” by Cottonwood Heights to appoint an alternate to serve in the absence of the Board Member
 - Mayor Peterson expanded on his request to allow members to appoint a substitute when the appointed official was unavailable
 - Further discussion took place with an agreement that this would only take place in an emergency as not having representation at a meeting was a concern
 - This alternate would be selected on an annual basis and would be an elected official
 - Chief Petersen expressed his appreciation for each community to be represented at all times at the Board Meeting, however, he stressed the difficulty in keeping more than just Board Members up to speed on issues
 - He was concerned about the potential dramatic shift in dialogue at a Policy Level if a number of new faces entered into the conversation, possibly for just one meeting
 - The Chief pointed out that Board Members can attend remotely, particularly with the improved technology in the Board Room, he posed the question of how would the cities run if Council Members could select alternates, which is currently not allowed
 - Mayor Petersen appreciated the Chiefs concerns; however, felt that the cities wish to maintain their right for representation outweighs those concerns
 - The ability to assign an alternate should only be used in emergency situations and it should be the Board Members responsibility to be sure the alternate is educated on the issues and prepared for the discussion

- Mayor Dahle asked that a trigger be defined, but restrict for emergency situations only
- By consensus, the Board was supportive of this option with the restrictions outlined clearly
- CLO Roberts will work on narrowing the circumstances of this ask, Counsel Anderson stressed that this is not an option on the UFSA Board
- Discussion followed addressing terminology regarding SLCo's option to voluntarily determine what the funding may look like in continuation of providing service
 - UFA is not a countywide agency and it is up to the County who they wish to use to provide services
 - CLO Roberts reviewed the original 2004 agreement and believes they have always had this power to determine the level of funding
 - CLO Roberts will flag this section for further discussion next month
- Mayor Dahle asked that CLO Roberts insert the 50/50 language, understanding it is not the blanket agreement, make the suggested and discussed changes and send to all Board Members for review in preparation for the November vote

No motion Taken

8. Decommissioned Radio Request form Midvale City

- Midvale City has requested to take the Motorola radios UFA no longer uses
- Motorola has given UFA the \$500 per radio trade-in credit, as part of the Legacy Trade-In Program, and will allow UFA to transfer them to Midvale City
- Council Member Stewart asked for a clear policy on the granting of surplus equipment to municipalities
 - Chief Petersen mentioned that all municipalities are notified when vehicles are being surplus, and it makes sense to do this with other items as well
 - Mayor Dahle feels that keeping assets internal benefits all members
 - Chief Petersen agreed and will ensure a policy will be created that requires Board notification and a process for distributing such surplus items
 - This will be brought back to the Board when completed

9. Review of Facility Use and Management Policy

- The chart provided displays which stations do allow for public gathering, which can with minor changes, and those that do not
- Chief Petersen feels the best option is to allow the community to decide what level of station availability they wish to provide their community
- A policy will be created defining which stations are available and which are not
 - Mayor Wilson likes the idea of offering a gathering space in the canyons where they are limited on options for the community
 - Recognizing that identifying globally which stations are available will require some research to define delineation
 - Board Members were reminded that if they open their stations for public use, they do not retain the ability to further select who does and does not utilize the space
- UFA Staff will work toward this goal and determine what should be addressed in the policy to reflect the choice of each municipality
 - UFSA Counsel Anderson stated that UFSA will mirror this policy

10. Fire Chief Report

- Special Enforcement Assignment
 - As part of the current log of background investigations due to the New Hire Process, a position has been moved from the field to Special Enforcement temporarily
 - If this becomes part of the normal procedure, it will be addressed in the budget process
- VECC – Agreement to use Versaterm CAD
 - UFA and their work with the valley fire agencies have determined that the Versaterm CAD will meet the needs of the fire service
 - This decision was presented to the VECC Board of Trustees and through a split vote, VECC will expand their agreement with Versaterm, allowing the move to Versaterm to take place without an RFP
 - Currently there is no Versaterm timeline in place, but the hope is to have one soon
- Firefighter Hiring List
 - What began with an Interest List of 600 has been reduced to a register of 81 with the goal of a final hire of about 30 individuals
 - The process, which has been and will continue to be honed, has resulted in a candidate pool that is increasing in depth and richness
- Assistant Chief Selection Process
 - The process will take place November 14-15
 - A meet-and-greet will be hosted for Board Members to meet the candidates on November 14th at 4:00 p.m.
 - An invitation will be sent to Board Members
 - Chief Petersen feels there is value in providing this experience to the candidates
 - Once the selection has been made, the incoming AC will have a 1 month overlap with AC Watson

11. Closed Session

None

12. Adjournment

Mayor Silvestrini moved to adjourn meeting
Council Member Stewart seconded the motion
All voted in favor

BOARD MEMBERS IN ATTENDANCE:

Mayor Jeff Silvestrini
Mayor Kristie Overson
Mayor Tom Westmoreland
Mayor Mike Peterson
Council Member Gary Bowen
Mayor Robert Dahle

Council Member Allan Perry
Council Member Sheldon Stewart
Mayor Jenny Wilson
SLCo Surveyor Reid Demman
Mayor Robert Hale
Council Member Jared Henderson

BOARD MEMBERS ABSENT:

Council Member Richard Snelgrove
Mayor Harris Sondak
Council Member Trish Hull

Mayor Kelly Bush
Council Member Kathleen Bailey

STAFF IN ATTENDANCE:

CFO Tony Hill
Chief Petersen

CLO Roberts
Cynthia Young, Clerk

OTHER ATTENDEES:

AC Mike Watson
AC Stephen Higgs
Arriann Woolf
BC Anderton
BC Dern
BC Watkins
Bill Brass
Brett Wood, Herriman
Captain Bogenschutz
Captain Aldridge
Captain Park

Captain Fossum
Carolyn Keigley, BCC
Darren Park
Dan Knopp, BCC
District Chief McBride
District Chief Woolsey
Division Chief Larson
Division Chief Mecham
Division Chief Robinson
Jenni Petersen, public
Keith Zuspan, BCC

Kiyoshi Young
Kate Turnbaugh
Lana Burningham
Larson Wood
Matt McFarland
Mike Reberg
Nile Easton, DOC
Rachel Anderson, UFSA
Ryan Carter, Riverton CLO
Steve Quinn
Tim Tingey, CWH



UNIFIED FIRE AUTHORITY BOARD OF TRUSTEES

2020 MEETING SCHEDULE

Meeting Start Time 7:30 a.m.

UFA Headquarters - 3380 South 900 West, Salt Lake City, UT 84119 (unless otherwise noted)

January 21, 2020

February 18, 2020

March 17, 2020

April 21, 2020

May 19, 2020

June 16, 2020

July 21, 2020

August 18, 2020

September 15, 2020

October 20, 2020

November 17, 2020

December 15, 2020

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Cyndee Young, UFA Board Clerk

UNIFIED FIRE AUTHORITY
CASH DISBURSEMENTS - GENERAL FUND POOLED CHECKING
OCTOBER 2019

GL Period	Check Date	Ref#	Vendor Name	Invoice#	Check Amount
Oct-19	10/10/2019	1	PAYROLL TRANS FOR 9/30/2019 PAY PERIOD	N/A	\$ 1,472,471.00
Oct-19	10/25/2019	2	PAYROLL TRANS FOR 10/15/2019 PAY PERIOD	N/A	1,164,227.88
Oct-19	10/10/2019	83102	SELECTHEALTH	10312019	567,524.90
Oct-19	10/10/2019	2	URS ACH PAYMENT - 10/10/2019 PAYROLL	N/A	478,236.08
Oct-19	10/28/2019	6	URS ACH PAYMENT - 10/25/2019 PAYROLL	N/A	456,707.66
Oct-19	10/6/2019	10062019	WELLS FARGO BUSINESS CARD	Multiple	321,287.23
Oct-19	10/11/2019	3	EFTPS - 10/10/2019 PAYROLL	N/A	288,356.71
Oct-19	10/28/2019	4	EFTPS - 10/25/2019 PAYROLL	N/A	216,320.62
Oct-19	10/28/2019	5	STATE TAX ACH - 10/25/2019 PAYROLL	N/A	153,452.29
Oct-19	10/16/2019	101619	LES OLSON COMPANY	Multiple	109,280.25
Oct-19	10/24/2019	83155	ZOLL	INV00048894	94,355.00
Oct-19	10/31/2019	83170	DEPARTMENT OF HEALTH	20H5000246	92,447.96
Oct-19	10/3/2019	83095	UTAH LOCAL GOVERNMENTS TRUST	Multiple	91,124.63
Oct-19	10/31/2019	83182	UTAH LOCAL GOVERNMENTS TRUST	1578645A	68,779.24
Oct-19	10/24/2019	83163	PUBLIC EMPLOYEES HEALTH PROGRAM	SEPBILL2019	67,032.83
Oct-19	10/17/2019	83137	STATE OF UTAH - GASCARD	Multiple	43,119.57
Oct-19	10/31/2019	83181	UNIVERSITY MEDICAL BILLING	Multiple	31,227.00
Oct-19	10/17/2019	83134	ROCKY MTN POWER	Multiple	27,070.25
Oct-19	10/10/2019	83097	CUSTOM BENEFIT SOLUTIONS, INC.	10102019	24,845.17
Oct-19	10/24/2019	83156	CUSTOM BENEFIT SOLUTIONS, INC.	10252019	24,845.17
Oct-19	10/17/2019	83123	CENTERPOINT	1817	23,600.00
Oct-19	10/23/2019	102321	GCS BILLING SERVICES	Multiple	22,943.82
Oct-19	10/3/2019	1	FUNDS TRANSFER FROM FIRE TO EM - CCTA FY20 Q1 DRAWDOWN	N/A	22,575.29
Oct-19	10/31/2019	83183	VLCM	633931	16,598.00
Oct-19	10/10/2019	83120	UNIFIED FIRE SERVICE AREA	Multiple	15,671.76
Oct-19	10/17/2019	83124	COMCAST	89207262	15,177.66
Oct-19	10/31/2019	83177	PRESIDIO NETWORKED SOLUTIONS LLC	6.01122E+12	14,948.74
Oct-19	10/10/2019	83107	SELECTHEALTH	10312019RET	13,580.60
Oct-19	10/3/2019	83090	MAYORS FINANCIAL ADMIN	MFA0000715	12,222.39
Oct-19	10/31/2019	83176	MAYORS FINANCIAL ADMIN	MFA0000717	12,222.39
Oct-19	10/23/2019	102325	WHEELER POWER SYSTEMS	RS0000130272	10,000.00
Oct-19	10/3/2019	83094	TARGETSOLUTIONS LEARNING LLC	TSINV00000031262	9,976.00
Oct-19	10/10/2019	83112	GABRIEL ROEDER SMITH & COMPANY	449545	8,500.00
Oct-19	10/31/2019	83172	FIRE & POLICE SELECTION, INC.	18858	8,436.40
Oct-19	10/10/2019	83099	LOCAL 1696 - IAFF	10102019	8,064.68
Oct-19	10/24/2019	83160	LOCAL 1696 - IAFF	10252019	8,064.68
Oct-19	10/10/2019	83111	EMERGENCY TRAINING GROUP, LLC	Multiple	8,000.00
Oct-19	10/24/2019	83145	FILTER TECHNOLOGIES, INC.	0277188-IN	7,938.00
Oct-19	10/17/2019	83125	DEPARTMENT OF PSYCHIATRY	Multiple	7,175.00
Oct-19	10/17/2019	83129	KEDDINGTON & CHRISTENSEN LLC	3441	7,000.00
Oct-19	10/3/2019	83086	FIRETRUCKS UNLIMITED	10690	6,500.00
Oct-19	10/16/2019	101620	NAPA AUTO PARTS	Multiple	6,414.30
Oct-19	10/2/2019	100221	WEIDNER FIRE	Multiple	5,149.13
Oct-19	10/17/2019	83128	INTTERRA, INC	000691A	5,000.00
Oct-19	10/31/2019	83173	GALLAGHER BENEFIT SERVICES, INC	184571	4,500.00
Oct-19	10/31/2019	83180	ROWLAND, GERALD KIM	43709	4,166.67
Oct-19	10/24/2019	83157	FIDELITY SECURITY LIFE INSURANCE CO	164006816	3,252.53
Oct-19	10/17/2019	83138	SYMBOL ARTS, LLC	Multiple	2,940.00
Oct-19	10/10/2019	83119	SYMBOL ARTS, LLC	Multiple	2,746.00
Oct-19	10/3/2019	83089	LIFE-ASSIST, INC	945085	2,600.00
Oct-19	10/24/2019	83143	CUSTOM BENEFIT SOLUTIONS	Multiple	2,295.10

Note 1: This is a pooled cash account - disbursements listed include those for UFA's Wildland Enterprise fund

Note 2: Payroll totals are for all UFA funds, not just General Fund

X:\Board Docs\2019-10 Disbursements\10

UNIFIED FIRE AUTHORITY
CASH DISBURSEMENTS - GENERAL FUND POOLED CHECKING
OCTOBER 2019

GL Period	Check Date	Ref#	Vendor Name	Invoice#	Check Amount
Oct-19	10/31/2019	83169	CUSTOM BENEFIT SOLUTIONS	Multiple	2,288.10
Oct-19	10/9/2019	100921	SERVICEMASTER OF SALT LAKE	132530A	2,250.00
Oct-19	10/10/2019	83106	FIREFIGHTERS CREDIT UNION	10102019TV	2,013.27
Oct-19	10/24/2019	83168	FIREFIGHTERS CREDIT UNION	10252019TV	2,008.31
Oct-19	10/3/2019	83084	DESERT EDGE HEATING & COOLING	Multiple	1,922.50
Oct-19	10/2/2019	100220	LES OLSON COMPANY	SUINV000162	1,904.00
Oct-19	10/24/2019	83159	INFOARMOR	3379OCT19	1,893.33
Oct-19	10/17/2019	83139	UNIVERSITY OF UTAH	43738	1,825.00
Oct-19	10/24/2019	83146	KRONOS INCORPORATED	11510962	1,808.50
Oct-19	10/3/2019	83087	INTERSTATE BILLING SERVICE, INC.	3016051396	1,755.58
Oct-19	10/17/2019	83140	WASATCH FRONT WASTE RECYCLE DIST	Multiple	1,736.00
Oct-19	10/17/2019	83126	DIVISION OF EMERGENCY MANAGEMENT	REIMB; 10/14/19	1,700.95
Oct-19	10/17/2019	83130	KRONOS INCORPORATED	11510890	1,679.31
Oct-19	10/9/2019	100923	WEIDNER FIRE	55421	1,655.00
Oct-19	10/10/2019	83098	FIREFIGHTERS CREDIT UNION	10102019SF	1,610.50
Oct-19	10/24/2019	83158	FIREFIGHTERS CREDIT UNION	10252019SF	1,604.63
Oct-19	10/10/2019	83101	OFFICE OF RECOVERY SERVICES	10102019	1,429.18
Oct-19	10/24/2019	83162	OFFICE OF RECOVERY SERVICES	10252019	1,429.18
Oct-19	10/24/2019	83164	PUBLIC EMPLOYEES LT DISABILITY	10252019	1,325.87
Oct-19	10/29/2019	102919	LES OLSON COMPANY	Multiple	1,293.46
Oct-19	10/23/2019	102324	WEIDNER FIRE	Multiple	1,244.44
Oct-19	10/3/2019	83085	DOMINION ENERGY	Multiple	1,110.16
Oct-19	10/24/2019	83142	CANON FINANCIAL SERVICES, INC.	Multiple	1,063.03
Oct-19	10/31/2019	83171	DOMINION ENERGY	Multiple	1,053.16
Oct-19	10/3/2019	83092	SALT LAKE COUNTY RECREATION	43711	1,044.00
Oct-19	10/24/2019	83152	UTAH COMMUNICATIONS AUTHORITY	68309	1,033.77
Oct-19	10/31/2019	83178	RC WILLEY HOME FURNISHINGS, INC.	42701579	999.98
Oct-19	10/10/2019	83108	A TO Z LANDSCAPING, INC.	23498A	835.33
Oct-19	10/10/2019	83113	GRAINGER	9305025828	822.36
Oct-19	10/24/2019	83154	WISE SAFETY & ENVIRONMENTAL	1445726	750.91
Oct-19	10/17/2019	83136	SNOWBIRD RESORT LLC	Multiple	747.56
Oct-19	10/17/2019	83135	SATCOM GLOBAL INC.	Multiple	730.13
Oct-19	10/3/2019	83096	WORKFORCEQA, LLC	538992	673.00
Oct-19	10/9/2019	100919	GOLD CUP SERVICES INC.	Multiple	655.50
Oct-19	10/10/2019	83121	UTAH BROADBAND, LLC	Multiple	597.00
Oct-19	10/23/2019	102323	VEHICLE LIGHTING SOLUTIONS, INC	Multiple	536.45
Oct-19	10/24/2019	83148	PURCHASE POWER	POSTAGE 10/19	520.99
Oct-19	10/24/2019	83141	ABSOLUTE JANITORIAL SERVICES	Multiple	519.63
Oct-19	10/10/2019	83110	DOMINION ENERGY	Multiple	357.81
Oct-19	10/24/2019	83150	SHRED-IT USA	Multiple	339.67
Oct-19	10/17/2019	83132	MAYORS FINANCIAL ADMIN	FAC0000491A	337.00
Oct-19	10/24/2019	83144	DOMINION ENERGY	Multiple	321.03
Oct-19	10/31/2019	83184	WISE SAFETY & ENVIRONMENTAL	1449959	320.98
Oct-19	10/24/2019	83153	UTAH VALLEY UNIVERSITY	A26258	275.00
Oct-19	10/23/2019	102322	MOUNTAIN ALARM	194386	275.00
Oct-19	10/17/2019	83131	L.N. CURTIS AND SONS	INV321495	270.22
Oct-19	10/10/2019	83114	IC GROUP	867940	230.23
Oct-19	10/10/2019	83100	ND CHILD SUPPORT DIVISION	10102019	214.80
Oct-19	10/24/2019	83161	ND CHILD SUPPORT DIVISION	10252019	214.80
Oct-19	10/23/2019	102319	APPARATUS EQUIPMENT & SERVICE, INC	19-IV-3021	214.00
Oct-19	10/2/2019	100219	GOLD CUP SERVICES INC.	740220	207.00

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X:\Board Docs\2019-10 Disbursements\10

UNIFIED FIRE AUTHORITY
CASH DISBURSEMENTS - GENERAL FUND POOLED CHECKING
OCTOBER 2019

GL Period	Check Date	Ref#	Vendor Name	Invoice#	Check Amount
Oct-19	10/24/2019	83151	UTAH BROADBAND, LLC	868434	199.00
Oct-19	10/9/2019	100920	MOUNTAIN ALARM	1894448	192.00
Oct-19	10/17/2019	83133	ROADPOST USA INC	RU08212022A	181.89
Oct-19	10/9/2019	100922	UNITED SITE SERVICES	114-9182708	179.00
Oct-19	10/10/2019	83109	COPPERTON IMPROVEMENT DISTRICT	W-#115 9/19	175.30
Oct-19	10/10/2019	83103	UNIFIED POLICE FEDERATION	10102019	171.00
Oct-19	10/24/2019	83165	UNIFIED POLICE FEDERATION	10252019	171.00
Oct-19	10/3/2019	83083	A TO Z LANDSCAPING, INC.	Multiple	149.89
Oct-19	10/17/2019	83127	DOMINION ENERGY	Multiple	147.64
Oct-19	10/24/2019	83147	L.N. CURTIS AND SONS	INV325269	107.93
Oct-19	10/10/2019	83118	SALT LAKE COUNTY SERVICE AREA #3	W/S-#113 9/19	99.54
Oct-19	10/10/2019	83104	UTAH RETIREMENT SYSTEMS	Multiple	85.48
Oct-19	10/3/2019	83088	L.N. CURTIS AND SONS	INV314745	83.90
Oct-19	10/24/2019	83166	UTAH RETIREMENT SYSTEMS	10142019RG	74.40
Oct-19	10/10/2019	83116	MIDVALLEY IMPROVEMENT DISTRICT	S-#126 12/19	54.60
Oct-19	10/31/2019	83175	KRONOS INCORPORATED	11517274	52.69
Oct-19	10/3/2019	83091	ROCKY MOUNTAIN WATER COMPANY	Multiple	47.75
Oct-19	10/10/2019	83115	KRONOS INCORPORATED	11505812	47.16
Oct-19	10/3/2019	83093	SATCOM GLOBAL INC.	AI09190769	46.85
Oct-19	10/10/2019	83105	UTAH STATE TAX COMMISSION	10102019SC	40.00
Oct-19	10/24/2019	83167	UTAH STATE TAX COMMISSION	10252019SC	40.00
Oct-19	10/31/2019	83174	JOHNSON ROBERTS & ASSOCIATES, INC.	140850	35.00
Oct-19	10/10/2019	83117	ROCKY MOUNTAIN WATER COMPANY	Multiple	26.25
Oct-19	10/31/2019	83179	ROCKY MOUNTAIN WATER COMPANY	Multiple	22.45
Oct-19	10/24/2019	83149	ROCKY MOUNTAIN WATER COMPANY	99056	13.00
					<u>\$ 6,147,061.91</u>

Note 1: This is a pooled cash account - disbursements listed include those for UFA's Wildland Enterprise fund

Note 2: Payroll totals are for all UFA funds, not just General Fund

X:\Board Docs\2019-10 Disbursements\10

UNIFIED FIRE AUTHORITY
CASH DISBURSEMENTS - EMERGENCY MANAGEMENT CHECKING
OCTOBER 2019

GL Period	Check Date	Ref#	Vendor Name	Invoice#	Check Amount
Oct-19	10/17/2019	7335	INTTERRA, INC	000691B	\$ 58,650.00
Oct-19	10/31/2019	1	EOC TRANSFER - 10/10/2019 PAYROLL	N/A	55,790.68
Oct-19	10/17/2019	7333	COMPUNET, INC.	Multiple	54,436.55
Oct-19	10/31/2019	2	EOC TRANSFER - 10/25/2019 PAYROLL	N/A	48,833.45
Oct-19	10/17/2019	7334	HAGERTY CONSULTING, INC.	5017	24,100.00
Oct-19	10/24/2019	7344	INTEGRATED SOLUTION CONSULTING CORP	P65152-02	16,711.88
Oct-19	10/17/2019	7340	ROCKY MTN POWER	E-EOC 9/19	4,732.85
Oct-19	10/17/2019	7338	POWER STROKES PAINTING INC.	Multiple	3,088.30
Oct-19	10/17/2019	7341	STATE OF UTAH - GASCARD	Multiple	1,773.51
Oct-19	10/9/2019	100925	SERVICEMASTER OF SALT LAKE	132530B	1,500.00
Oct-19	10/16/2019	101623	LES OLSON COMPANY	Multiple	1,459.73
Oct-19	10/31/2019	7348	UTAH LOCAL GOVERNMENTS TRUST	1578645B	1,379.52
Oct-19	10/17/2019	7342	SYRINGA NETWORKS, LLC	19OCT0224	1,175.00
Oct-19	10/9/2019	100924	LES OLSON COMPANY	540771	1,096.70
Oct-19	10/31/2019	7347	MOFFATT, STUART	SFM-WEBEOC-001	1,050.00
Oct-19	10/3/2019	7329	COX, JONATHAN	43739	823.37
Oct-19	10/16/2019	101622	GOLD CUP SERVICES INC.	Multiple	590.05
Oct-19	10/10/2019	7331	A TO Z LANDSCAPING, INC.	23498B	556.89
Oct-19	10/3/2019	7330	DOMINION ENERGY	G-EOC 9/19	396.51
Oct-19	10/24/2019	7346	PUBLIC EMPLOYEES HEALTH PROGRAM	09302019EOC	268.86
Oct-19	10/29/2019	102920	WAXIE SANITARY SUPPLY	78637912	188.55
Oct-19	10/24/2019	7345	SHRED-IT USA	8128309644D	110.79
Oct-19	10/10/2019	7332	MAYORS FINANCIAL ADMIN	SLC0000269	110.00
Oct-19	10/3/2019	7328	A TO Z LANDSCAPING, INC.	Multiple	99.93
Oct-19	10/17/2019	7336	L.N. CURTIS AND SONS	INV321717	98.36
Oct-19	10/31/2019	3	TRANSFER TO RECONCILE BENEFITS FOR OCT - PYLES	N/A	93.89
Oct-19	10/17/2019	7337	MAYORS FINANCIAL ADMIN	FAC0000491B	70.00
Oct-19	10/17/2019	7339	ROADPOST USA INC	RU08212022B	60.63
Oct-19	10/17/2019	7343	WASATCH FRONT WASTE RECYCLE DIST	6334C	50.00
Oct-19	10/23/2019	102326	VEHICLE LIGHTING SOLUTIONS, INC	5786	50.00
					\$ 279,346.00

UNIFIED FIRE AUTHORITY
CASH DISBURSEMENTS - FIRE CAPITAL REPLACEMENT FUND
OCTOBER 2019

<u>GL Period</u>	<u>Check Date</u>	<u>Ref#</u>	<u>Vendor Name</u>	<u>Invoice#</u>	<u>Check Amount</u>
Oct-19	10/29/2019	102919	LES OLSON COMPANY	Multiple	\$ 137,440.00
Oct-19	10/30/2019	19	KHI MECHANICAL	C1542-01	82,526.60
Oct-19	10/16/2019	101621	VEHICLE LIGHTING SOLUTIONS, INC	Multiple	12,755.82
Oct-19	10/23/2019	102320	CDW GOVERNMENT LLC	VFH4610	9,616.64
					<u><u>\$ 242,339.06</u></u>

A photograph of a red fire truck parked in a fire station. The truck is facing forward, and its front features are visible, including the grille, headlights, and bumper. The text "UNIFIED FIRE AUTHORITY" is overlaid in large, black, sans-serif capital letters across the upper portion of the truck. Below this, the text "ANNUAL FINANCIAL REPORT" is overlaid in large, red, sans-serif capital letters. Underneath that, the date "June 30, 2019" is overlaid in a smaller, red, sans-serif font. The truck's front bumper has the text "SQ0602" on it. The truck's front grille has "ML-11" on the left and "UFA" on the right. The truck's front hood has "E-30" on the right. The truck's front bumper has "UT-1965" on the right. The truck is parked in a fire station with other fire trucks visible in the background.

UNIFIED FIRE AUTHORITY

ANNUAL FINANCIAL REPORT

June 30, 2019

UNIFIED FIRE AUTHORITY ANNUAL FINANCIAL REPORT

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KEDDINGTON & CHRISTENSEN, CPAS

CERTIFIED PUBLIC ACCOUNTANTS

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

**INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Trustees
Unified Fire Authority
Salt Lake City, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of Unified Fire Authority (UFA), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise UFA's basic financial statements, and have issued our report thereon dated October 28, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered UFA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of UFA's internal control. Accordingly, we do not express an opinion on the effectiveness of UFA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether UFA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Keddington & Christensen, LLC

Salt Lake City, Utah

October 28, 2019

Draft



MANAGEMENT'S DISCUSSION AND ANALYSIS

UNIFIED FIRE AUTHORITY ANNUAL FINANCIAL REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

As management of Unified Fire Authority (UFA), we offer readers of UFA's financial statements this narrative overview and analysis of the financial activities of UFA for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the notes to the financial statements.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

UFA's *government-wide net position* (the amount by which assets and deferred outflows exceeded its liabilities and deferred inflows) as of June 30, 2019 was \$19,839,301. Net position increased \$850,270 in 2019 over the previous year's numbers (see table on page 6).

UFA reported combined ending fund balance for governmental funds of \$17,624,227 as of June 30, 2019 (10% increase compared to \$16,011,987 in 2018). The increase in fund balance is resulted from excess ambulance service revenue, deployment reimbursements, investment income, and proceeds from sale of capital assets as well as effective management of expenses and personnel cost savings (realized due to vacancies and staffing adjustments). The total *spendable fund balance* at June 30, 2019 was \$16,632,999, which represents 22.5% of total fund expenditures. Of the total spendable fund balance, \$10,881,482 is actually available for appropriation and spending (*unassigned fund balance*), \$1,592,690 is assigned for future purchases, \$3,769,355 is committed, and \$389,472 is restricted for capital acquisition. Unassigned fund balance includes \$3,337,395 (5% of fiscal year 2019 general fund revenues) required by the State of Utah to be retained as fund balance, leaving a balance of \$7,544,087 available for appropriation. Total unassigned fund balance in 2019 increased \$312,762 (4.6%). Management believes the current unassigned fund balance to be a good indicator of UFA's positive financial position.

During the fiscal year ending June 30, 2019, UFA station crews responded to 9,292 fire-related calls and 18,537 medical calls, for a total of 27,829 calls (compared to 28,498 total calls in 2018). The average number of calls per station decreased from 1,239 in 2018 to 1,210 in 2019 due to a two percent drop in call volume.

UFA's more than 18,000 medical calls generated 10,310 billable ambulance transports, compared to 10,393 in 2018 (one percent decrease). Actual ambulance call volume during the year resulted in gross billings of \$16.5 million (three percent increase from \$16.1 million in 2018). The slight decrease in transports was offset by an increase in transport base rates. Transport base rates are adjusted annually as allowed by the State of Utah (3% increase compared to prior year). Earned revenues, net of adjustments and allowances, increased two percent to \$7.6 million in the fiscal year ended June 30, 2019. As of year-end, net receivables related to ambulance service were over \$1.6 million.

UFA's Wildland Fund reported wildland fee revenues of over \$2 million as of June 30, 2019 (1.6% decrease from 2018). Wildfire suppression crews worked in Utah, Idaho, Alaska, and California, during the 2019 season. A net loss of \$168,335 was offset by a \$100,000 interfund transfer and \$338,870 capital contribution of capital assets, net of accumulated depreciation and related debt, from the General fund, resulting in an increase in net position of \$270,535 (41%). Camp Williams operations were transferred to the Wildland Fund beginning July 1, 2018, providing nearly \$600,000 of intergovernmental contract services revenue to the fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to UFA's basic financial statements. UFA's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

Government-wide financial statements: The *government-wide financial statements* are designed to provide readers with a broad overview of UFA's finances, in a manner similar to a private-sector business. The *statement of net position* presents information on all of UFA's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of UFA is improving or deteriorating. The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement on an accrual basis. Cash flow from such transactions could impact future fiscal periods.

The government-wide financial statements identify functions of UFA that are principally supported by taxes and intergovernmental revenues, as *governmental activities*. Revenues designed to recover all or a significant portion of the activity costs are identified as *business-type activities*. Using resources of 379 field firefighter allocations and operating from 23 stations, UFA provides these governmental activities: fire suppression, fire prevention, training, EMS support, hazmat services, arson/bomb investigations, and emergency management conducted primarily within the UFA service area. The business-type activity of UFA is wildfire suppression that is conducted largely outside UFA's service area on a contract basis with other governmental agencies.

Fund financial statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. UFA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. UFA uses both governmental funds and a proprietary fund.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* in the fund financial statements with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

UFA maintains three major governmental funds: the General fund, the Special Revenue fund, and the Fire Capital Projects fund. UFA also maintains the Emergency Services Capital Projects fund, a non-major governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for these funds.

Proprietary funds (also referred to as "enterprise funds") provide the same type of information as the government-wide financial statements, only in more detail. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. UFA currently operates a single enterprise fund for wildland fire suppression services.

Notes to the Financial Statements: The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information (RSI): UFA adopts an annual appropriated budget for its funds. Budgetary comparison statements (pages 43-44) have been provided for the general and special revenue funds to demonstrate compliance with the budget. RSI also includes required schedules for other post-employment benefits as well as pension plans (pages 45-48).

UNIFIED FIRE AUTHORITY ANNUAL FINANCIAL REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

FINANCIAL ANALYSIS OF UFA AS A WHOLE

Net Position

As noted earlier, net position may serve over time as a useful measurement to assist with understanding the financial position of UFA. As of June 30, 2019, assets and deferred outflows exceeded liabilities and deferred inflows by \$19,839,301 (an increase of \$850,267 over 2018).

Summary of Statement of Net Position For the Fiscal Years Ended June 30,

	Governmental Activities		Business-Type Activities		Total Primary Government		Total \$ Change	Total % Change
	2019	2018	2019	2018	2019	2018		
Assets								
Current and other assets	\$ 21,676,074	\$ 26,939,111	\$ 534,040	\$ 724,460	\$ 22,210,114	\$ 27,663,571	\$ (5,453,457)	-20%
Capital assets	23,541,920	21,938,236	954,042	478,067	24,495,962	22,416,303	2,079,659	9%
Total Assets	45,217,994	48,877,347	1,488,082	1,202,527	46,706,076	50,079,874	(3,373,798)	-7%
Deferred Outflows of Resources	19,848,061	18,913,227	48,695	-	19,896,756	18,913,227	983,529	5%
Liabilities								
Current and other liabilities	3,552,708	3,372,980	150,021	194,705	3,702,729	3,567,685	135,044	4%
Long-term liabilities	36,585,548	21,880,935	442,994	349,358	37,028,542	22,230,293	14,798,249	67%
Total Liabilities	40,138,256	25,253,915	593,015	544,063	40,731,271	25,797,978	14,933,293	58%
Deferred Inflows of Resources	6,017,497	24,206,089	14,763	-	6,032,260	24,206,089	(18,173,829)	-75%
Net Position								
Invested in capital assets, net of related debt	14,665,200	14,340,898	547,017	45,648	15,212,217	14,386,546	825,671	6%
Restricted	991,228	1,080,863	-	-	991,228	1,080,863	(89,635)	-8%
Unrestricted	3,253,874	2,908,809	381,982	612,816	3,635,856	3,521,625	114,231	-3%
Total Net Position	\$ 18,910,302	\$ 18,330,570	\$ 928,999	\$ 658,464	\$ 19,839,301	\$ 18,989,034	\$ 850,267	4%

Current assets increased more than 6% during the fiscal year ended June 30, 2019. Cash increased over \$1.3 million primarily due an increase in unrestricted cash resulting from excess revenues collected and efficient management of expenses. Other current assets increased approximately \$6,000 (receivables increased \$95,766, prepaid increased \$13,625, and inventory decreased \$103,260).

Other assets decreased \$6,815,362 in 2019, resulting a drop in net pension asset reported as part of UFA's implementation of GASB 68. For more information on GASB 68, see Note 7, beginning on page 30.

Capital assets, net of depreciation, increased \$2,079,659 (9%) compared to 2018 because capital additions (\$6,363,199) exceeded depreciation expense (\$4,123,987) and net disposals (\$159,553) during fiscal year 2019. For more information on UFA's capital assets, see note 4 on page 28.

As a result of the implementation of GASB 68, UFA recognizes deferred outflows and inflows of resources related to pensions. Deferred outflows of resources increased from 2018 to 2019 by \$983,530. Deferred inflows of resources related to pensions decreased \$18,173,829 as of June 30, 2019.

Current liabilities at June 30, 2019, increased \$135,044 (4%) compared to balances at June 30, 2018. Total accounts payable increased \$118,500 (12%) and accrued liabilities increased \$16,544 from 2018 to 2019.

UNIFIED FIRE AUTHORITY ANNUAL FINANCIAL REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

Total long-term liabilities increased from 2018 to 2019 by nearly \$15 million (58%). The majority of this increase is related to UFA's net pension obligation. The net pension liability increased by \$13,302,513 (954%) from 2018 to 2019. Other post-employment benefits (OPEB) liability decreased \$349,789 related to implementation of GASB 75. Compensated absence liability obligations increased \$121,143 (2.5%) over 2018. Capital leases and notes payable increased \$1,724,380 during the fiscal year ending June 30, 2019, due to the issuance of a new capital lease (\$5,231,495) offset by principal payments totaling \$3,507,115. See Notes 5, 6, 7, and 9 for more information regarding pension plans, other post-employment benefits, compensated absences, and capital leases, respectively.

UFA's net investment in capital assets is \$15,212,217, or 77% of total net position. Net investment in capital assets increased \$825,671 (6%) in 2019 due to capital acquisitions purchases and debt payments during the year, offset by depreciation. Although UFA's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position decreased to \$991,228 (8%) from 2018 to 2019. The decrease resulted primarily from a drop in inventory balances. Restricted amounts are related to supplies and equipment inventory (\$918,326) held at UFA's warehouse and funds paid to vendors prior to receipt of good and/or services (\$72,902).

Unrestricted net position may be used to meet UFA's ongoing financial obligations to citizens and creditors. As of June 30, 2019, unrestricted net position was \$3,635,856 (\$114,231 increase compared to 2018). The increase is mainly due to excess revenues from ambulance service, deployment reimbursements and investment income as well as cost savings in personnel and operations resulting from vacancies, staffing adjustments, and effective management of expenses (offset by recognition of GASB 68 activity related to pension liabilities).

Summary of Changes in Net Position For the Fiscal Years Ended June 30,

	Governmental Activities		Business-Type Activities		Total Primary Government		Total % Change
	2019	2018	2019	2018	2019	2018	
Program Revenues							
Charges for services	\$ 68,067,582	\$ 66,665,984	\$ 2,618,639	\$ 2,057,183	\$ 70,686,221	\$ 68,723,167	3%
Grants and contributions	345,327	249,195	1,826	-	347,153	249,195	39%
General Revenues							
Unrestricted net							
investment earnings	462,651	215,269	12,766	5,126	475,417	220,395	116%
Other	2,735,000	777,014	-	2,500	2,735,000	779,514	251%
Member contributions	317,200	450,054	-	-	317,200	450,054	-30%
Total revenues	71,927,760	68,357,516	2,633,231	2,064,809	74,560,991	70,422,325	6%
Program Expenses							
Fire protection services	68,277,884	64,072,701	-	-	68,277,884	64,072,701	7%
Emergency management	2,173,694	1,905,287	-	-	2,173,694	1,905,287	14%
Wildfire protection services	-	-	2,793,922	2,071,555	2,793,922	2,071,555	35%
Interest on long-term debt	354,317	316,074	7,644	7,889	361,961	323,963	12%
Total expenses	70,805,895	66,294,062	2,801,566	2,079,444	73,607,461	68,373,506	8%
Excess (deficiency)							
before transfers	1,121,865	2,063,454	(168,335)	(14,635)	953,530	2,048,819	-53%
Transfers	(438,870)	(92,000)	438,870	92,000	-	-	100%
Change in net assets	682,995	1,971,454	270,535	77,365	953,530	2,048,819	-53%
Net position - beginning	18,330,567	16,133,754	658,464	581,099	18,989,031	16,714,853	14%
accounting principle	-	-	-	-	-	-	100%
Increase in inventory	(103,260)	225,359	-	-	(103,260)	225,359	-146%
Net position - ending	\$ 18,910,302	\$ 18,330,567	\$ 928,999	\$ 658,464	\$ 19,839,301	\$ 18,989,031	4%

UNIFIED FIRE AUTHORITY ANNUAL FINANCIAL REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

General revenues include all revenues that do not qualify as program revenues, such as investment earnings, gain/loss on sale of capital assets, capital contributions, and other miscellaneous revenues. General revenues increased \$2,077,654 (143%) compared to the previous fiscal year, mainly due to increased nonemployee contributions recognized in connection with GASB 68 reporting (\$290,713 in 2018 compared to \$1.9 million in 2019) and the gain on sales of capital assets (\$285,805 in 2018 compared to \$619,185 in 2018). Investment income also increased in the fiscal year ending June 30, 2019, due to higher rates and a change in how cash was invested (\$255,022 increase in 2019).

Program revenues consist of grants and contributions as well as charges for services. Total combined program revenue in 2019 increased \$2,061,012 (3%) from 2018 to 2019. Charges for services include amounts received from those who purchase, use or directly benefit from or are affected by a program, such as member fees, as well as fees paid for ambulance transport, emergency management, wildland firefighting, etc. Member fees, which account for approximately 74% of UFA's charges for services, rose \$607,398 (1%) as a result of an increase in fees approved by the UFA Board. Reimbursements also increased by \$258,557 from 2018 to 2019, largely due to an intergovernmental reimbursement received for the purchase of communications equipment at UFA's stations (\$867,773) offset by lower reimbursements for EMAC deployments than were received in 2018.

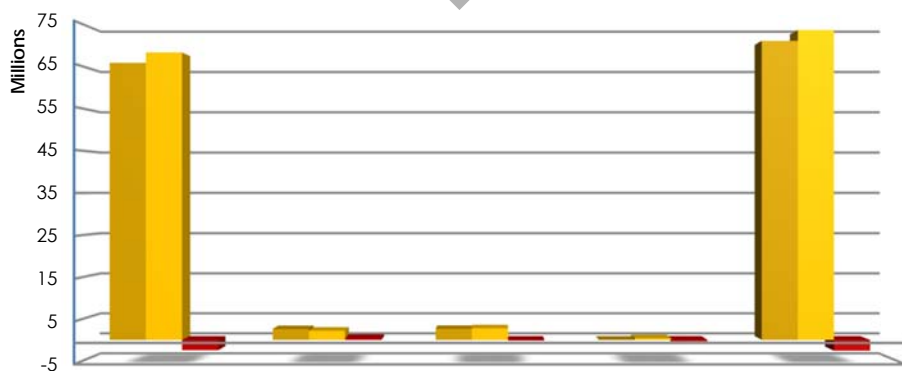
Ambulance service revenues are the second largest source of revenue for UFA (12% of UFA charges for services in 2019) and continue to provide a significant contribution to UFA's budget. The adjacent table shows ambulance activity for the past five years. Ambulance transport fees increased \$641,448 (9%) due to increased base rates set by the State of Utah and ambulance staffing changes during the fiscal year.

	Transports		Collections	
	Annual #	% Change	Annual \$	% Change
6/30/2019	10,310	-1%	\$ 7,648,224	9%
6/30/2018	10,393	-7%	\$ 7,006,776	-17%
6/30/2017	11,194	-2%	\$ 8,398,626	8%
6/30/2016	11,379	2%	\$ 7,775,988	12%
6/30/2015	11,186	1%	\$ 6,959,006	3%

Program expenses increased \$5,233,955 (7.7%) compared to the prior year, due primarily to the net effect of:

- Over \$3.2 million increase in benefit costs related to GASB 68 reporting requirements for pensions
- Reduction of OPEB obligations of nearly \$350,000
- Expenses related to change in compensated absences balances decreased by more than \$160,000
- Net personnel cost increased nearly \$2.2 million due to new full-time allocations including conversion of part-time EMS to full-time firefighters, USAR and EMAC deployments, merit raises and cost of living increase (CPI), rising benefit rates, and increased overtime to maintain minimum staffing levels.
- Depreciation and amortization of capital assets increased more than \$500,000

**Program Expense and Revenue - Governmental Activities
For the Fiscal Year Ended June 30, 2019**



	Fire protection services	Emergency Mgmt	Wildfire protection services	Interest on long-term debt	Total governmental
Revenues	\$65,822,873	\$2,590,036	\$2,620,465	\$-	\$71,033,374
Expenses	\$68,277,884	\$2,173,694	\$2,793,922	\$361,961	\$73,607,461
Net Revenue (Expense)	\$(2,455,011)	\$416,342	\$(173,457)	\$(361,961)	\$(2,574,087)

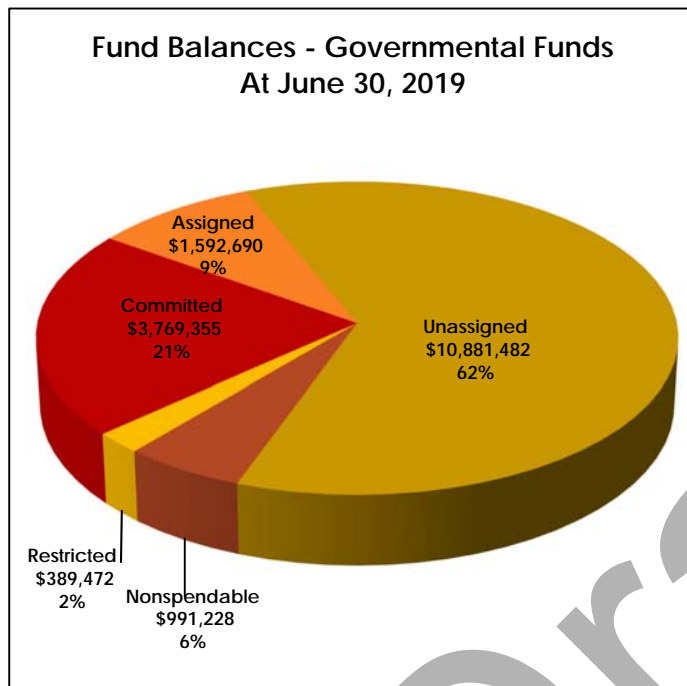
- UFA shifted to UFSA the cost of the Sandy City contract for fire service coverage (approximately \$860,000 in 2018)
- Over \$165,000 decrease of noncapital equipment purchases using capital lease proceeds
- Increase of more than \$180,000 in vehicle maintenance resulting from preventative maintenance delayed in 2018, as well as a change in accounting for accident-related repair costs (offset partially by insurance reimbursement revenue)
- Over \$90,000 new non-personnel costs related to UFA's CCTA grant award

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

FINANCIAL ANALYSIS OF UFA'S FUNDS

Governmental Funds: As of June 30, 2019, the aggregate fund balance of UFA's governmental funds increased \$1,612,240 (10%) to \$17,624,227. The increase is primarily due excess ambulance service fees and deployment reimbursement revenue as well as the sale of capital assets, combined with effective management of expenditures and personnel cost savings through vacancies and creative staffing.



Approximately 62% of the aggregate fund balance, or \$10,881,482, is unassigned and is available for appropriation by the UFA Board. Unassigned fund balance at June 30, 2019, increased \$312,762 (4%) over 2018. Unassigned fund balance includes \$3,337,395 required by the State of Utah to be retained as fund balance (5% of fiscal year 2019 general fund revenues), leaving a balance of \$7,544,087 available for appropriation.

The remaining fund balance is not available for new spending because it has already been obligated:

- \$1,592,690 Assigned:
 - Encumbrances \$221,036
 - Special revenue fund balance \$1,371,654
- \$3,769,355 Committed:
 - Compensated absences \$812,944
 - Retirement contributions \$103,220
 - Capital acquisitions \$2,853,191
- \$389,472 Restricted for capital acquisitions
- \$991,228 Nonspendable
 - Inventory \$918,326
 - Prepaid \$72,902

Business-Type Funds: As of June 30, 2019, UFA's business-type fund net position increased \$270,535 (41%) over 2019. The increase in net position resulted primarily from a capital contribution (\$338,870) from the General Fund of capital assets, net of related debt, offset by a loss from operations (\$175,283) resulting from a late start to the wildfire season. The Wildland program plans to utilize existing net assets for expenses associated with starting up the 2020 wildfire season and reserving funds for vehicle replacement. The program also continues to increase community outreach and education with respect to wildfire mitigation.

GENERAL FUND BUDGETARY HIGHLIGHTS**Significant differences between the original budget and the final budget:**

- \$385,121 decrease in member fees and personnel cost resulting from a reduction in staffing at one member station
- \$208,201 increase in grants and donations, including \$98,701 grants for EMS equipment and training, bomb equipment, and rescue task force (RTF) equipment purchases and a \$100,000 ATF trailer donation
- \$1,539,953 increase in intergovernmental revenues and reimbursements received for communications equipment purchases (\$891,804) and out-of-state deployments. Deployments resulted in revenues for USAR hurricanes (\$293,087) and EMAC wildfire deployments (\$355,062), as well as additional personnel (\$493,703), related operational costs \$22,713, and a transfer to Capital Replacement for future equipment needs of \$131,733
- \$94,500 increase in USAR reimbursements for training backfill and sublease reimbursement exceeding estimates
- \$262,099 increase to appropriated fund balance to make equipment purchases with remaining debt proceeds from 2017 (\$20,455), additional personnel costs for an overtime test and compensated absence payout (\$169,541), additional professional services (\$59,608), and an increase in capital lease payment (\$12,495)
- Reallocation of \$110,287 from capital outlay to operating expenditures for air conditioning retrofits on apparatus, small equipment and supplies not meeting the capitalization threshold, and license renewals needed due to changing requirements from the State of Utah
- Reallocation of \$170,312 from Information Technology (IT) personnel to professional services expenditures to cover vacancies as well as the IT services contract

UNIFIED FIRE AUTHORITY ANNUAL FINANCIAL REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

Significant variations in actual results compared to final budget:

- Ambulance revenues exceeded budget by nearly \$775,000 due primarily to higher transport base rates set by the State of Utah.
- Investment income exceeded budget by more than \$196,000 due to rising PTIF interest rates during the fiscal year as well as a change in how UFA invests its available cash to earn more interest.
- Budget exceeded actual grants and intergovernmental reimbursements primarily due to late payment causing the revenues to be reported as deferred (\$71,013 for EMAC deployment and \$34,353 for SHSP grants).
- Contributions budgeted were unable to be recorded as revenue due to delivery not being taken prior to fiscal year end for \$100,000 ATF equipment donation.
- Staffing vacancies in multiple divisions as well as adjustments made in field operations staffing resulted in actual salaries and benefits expenditures nearly \$1.5 million below budget.
- Management worked to control administrative expenditures resulting in net cost savings in excess of \$103,000
- Operating costs savings over \$560,000 resulted primarily from termination of UCANN service fees previously paid by UFA, delay of facilities maintenance due to vacancies in Facilities, and efficient management of operational needs.
- UFA's capital outlay budget exceeded its actual purchases by nearly \$110,000 primarily due to UFA not being able to take delivery during the fiscal year of equipment donated by ATF.

For detailed budgetary comparison schedules, see the Required Supplementary Information section, beginning on page 43.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: UFA's investment in capital assets at June 30, 2019, was \$24,495,962 (net of \$41,835,395 depreciation). Capital assets increased nearly \$2.1 million (9%) over the prior fiscal year, due to the fact that depreciation (\$4,123,988) and net disposals (\$159,553) outweighed 2019 additions (\$6,363,199).

Capital Assets, Net of Depreciation As of June 30,

	Governmental Activities		Business-Type		Total		Total %
	2019	2018	2019	2018	2019	2018	Change
Building and improvements	\$ 2,715,607	\$ 2,701,883	\$ 2,707	\$ 3,022	\$ 2,718,314	\$ 2,704,905	0%
Computer software & equipment	489,199	676,331	-	-	489,199	676,331	-28%
Construction in progress	2,233,030	1,889,332	-	-	2,233,030	1,889,332	18%
Furniture & equipment	5,123,850	2,881,848	-	-	5,123,850	2,881,848	78%
Land & improvements	553,093	569,965	-	-	553,093	569,965	-3%
Transportation equipment	12,427,141	13,218,879	951,335	475,045	13,378,476	13,693,924	-2%
	<u>\$23,541,920</u>	<u>\$21,938,238</u>	<u>\$ 954,042</u>	<u>\$ 478,067</u>	<u>\$24,495,962</u>	<u>\$22,416,305</u>	9%

Major capital assets for Governmental activities put in service during the year ended June 30, 2019 included:

- Medium and heavy apparatus additions: new equipment of \$2,449,948 and refurbishment of existing equipment of \$34,983
- Light fleet purchased having a total cost of \$555,891
- Communications equipment totaling \$1,121,432
- Medical equipment including Zoll monitors and Stryker ambulance cots totaling \$1,323,043
- Station equipment including thermal imaging cameras (TICs), extrication equipment, fit testing system, and a bomb suit totaling \$601,842

For more information on capital assets and depreciation, see Note 4, on page 28.

Long-term Debt: During the year, UFA made principal and interest payments on long-term debt totaling \$3,507,115. In October 2018, UFA entered into a new master lease agreement with Zions Bank (principal \$5,231,495 at 2.88%) to purchase apparatus, ambulances, light fleet, TICs, stretchers, IT equipment, a bomb suit, monitors, and a building improvement. The lease requires annual principal and interest payments of \$812,495 through 2024. For more information on UFA's long-term debt, see Notes 6 and 10.

UNIFIED FIRE AUTHORITY ANNUAL FINANCIAL REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

UFA's economic condition remains strong. UFA is the largest fire department in the State of Utah. The entities that make up UFA have widely developed and diverse economic sectors that continue to show solid growth in taxable sales, construction activity, and household income with a low unemployment rate. As of June 30, 2019, UFA responds from 23 operating stations with 682 employees serving a population of 414,974 in 15 municipalities in Salt Lake County and Utah County.

A complete and updated strategic plan was adopted in November 2017. UFA has adopted six goal statements as part of its strategic plan:

- Establish best practices that ensure UFA is operating effectively and efficiently to both minimize the risks in the community and provide value for our member agencies
- Establish a realistic long-range capital plan to maintain and replace UFA fleet, facilities, and equipment
- Ensure that UFA staff continue to value the importance of being nice, competent, and professional when engaging with the community
- Ensure UFA is providing meaningful communication and interaction with stakeholders to establish partnerships in the reduction of risk and to provide increased opportunities for them to engage in discussions on service delivery
- Ensure personnel are provided a clear picture of what exceptional looks like for their current position and identifies professional growth opportunities to prepare for future positions in the UFA
- Value human capital and ensure the well-being of our personnel.

The budget for fiscal year 2019/2020 has been approved and includes an average increase of 5.61% to each of the entities' member fee. The member fee increase is being used to mainly to close the gap on wages to meet the Board's adopted goal of being in the "top 3" and to hire 9 additional Firefighter positions. UFA continues to work to gain efficiencies in support services.

In December 2015, UFA entered into a seven year lease agreement totaling \$19,600,000 to purchase apparatus, SCBA's, and communication equipment. These purchases were used to replace aging apparatus and equipment. All purchases have been made and are now in service. The 2018/2019 budget also included a 10 year capital replacement plan including a new seven year lease. Highlights of this lease include 2 type 1 engines, 3 type 6 engines, 3 ambulances, 4 BC/DC trucks, 1 mechanic truck, 14 staff vehicles, 45 ZOLL monitors, and 70 thermal imager cameras.

UFA's Finance Committee, Benefits and Compensation Committee, Local 1696 of the International Association of Firefighters and UFA Administration, are continually working on the long-term plan for wages and benefits of UFA employees. This plan will impact budget outcomes in the future. Wages and benefits comprise approximately 82% of the overall general fund budget.

UFA Administration is working closely with its members to develop budgets appropriate to the current economic times. As UFA costs rise, it becomes necessary to assess members' fees. Some members may have limited abilities to meet these rising costs or lack of political will to raise tax revenue to cover such costs. In such situations, it will be necessary to find other ways to meet ongoing costs or reduce programs and service to meet expected levels of revenue. UFA Administration will make appropriate recommendations for cost reductions and revenue enhancements, consistent with the fluctuations and financial pressures on our member entities.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of UFA's finances for all those with an interest in UFA's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Chief Financial Officer, 3380 South 900 West, Salt Lake City, UT, 84119



BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements
Governmental Fund Financial Statements
Proprietary Fund Financial Statements
Notes to Financial Statements

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

June 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total 2019
ASSETS			
Cash and cash equivalents	\$ 17,958,598	\$ 450,321	\$ 18,408,919
Restricted cash and cash equivalents	53,259	-	53,259
Receivables	2,672,989	83,719	2,756,708
Inventory	918,326	-	918,326
Prepaid expense	72,902	-	72,902
Capital assets, net of depreciation	23,541,920	954,042	24,495,962
TOTAL ASSETS	45,217,994	1,488,082	46,706,076
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	19,848,061	48,695	19,896,756
LIABILITIES			
Accounts payable	976,929	29,588	1,006,517
Restricted accounts payable	90,815	-	90,815
Accrued liabilities	2,484,964	120,433	2,605,397
Noncurrent liabilities			
Due within one year	4,834,957	132,971	4,967,928
Due in more than one year	17,089,785	274,054	17,363,839
Net pension liability	14,660,806	35,969	14,696,775
TOTAL LIABILITIES	40,138,256	593,015	40,731,271
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	6,017,497	14,763	6,032,260
NET POSITION			
Net investment in capital assets	14,665,200	547,017	15,212,217
Restricted for inventory	918,326	-	918,326
Restricted for prepaid expense	72,902	-	72,902
Unrestricted	3,253,874	381,982	3,635,856
TOTAL NET POSITION	\$ 18,910,302	\$ 928,999	\$ 19,839,301

The accompanying notes are an integral part of the financial statements.

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

STATEMENT OF ACTIVITIES Year ended June 30, 2019

Functions/Programs	Expenses	PROGRAM REVENUES			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
PRIMARY GOVERNMENT:					
GOVERNMENTAL ACTIVITIES:					
Fire protection services	\$ 68,277,884	\$ 65,781,252	\$ 41,621	\$ -	\$ (2,455,011)
Emergency management	2,173,694	2,286,330	303,706	-	416,342
Interest on long-term debt	354,317	-	-	-	(354,317)
Total governmental activities	70,805,895	68,067,582	345,327	-	(2,392,986)
BUSINESS-TYPE ACTIVITIES:					
Wildland protection services	2,793,922	2,618,639	1,826	-	(173,457)
Interest on long-term debt	7,644	-	-	-	(7,644)
Total business-type activities	2,801,566	2,618,639	1,826	-	(181,101)
TOTAL PRIMARY GOVERNMENT	\$ 73,607,461	\$ 70,686,221	\$ 347,153	\$ -	\$ (2,574,087)

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total 2019
Changes in net assets:			
Net (expense) revenue	\$ (2,392,986)	\$ (181,101)	\$ (2,574,087)
General Revenues:			
Unrestricted net investment earnings	462,651	12,766	475,417
Miscellaneous	2,020,919	-	2,020,919
Rent	94,896	-	94,896
Gain/(loss) on disposal of capital assets	619,185	-	619,185
Member contributions	317,200	-	317,200
Transfers	(438,870)	438,870	-
Total general revenues	3,075,981	451,636	3,527,617
Changes in net position	682,995	270,535	953,530
Net position - beginning	18,330,567	658,464	18,989,031
Decrease in inventory	(103,260)	-	(103,260)
Net position - ending	\$ 18,910,302	\$ 928,999	\$ 19,839,301

The accompanying notes are an integral part of the financial statements.

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

BALANCE SHEET GOVERNMENTAL FUNDS June 30, 2019

	MAJOR FUNDS				
	General Fund	Special Revenue Fund	Fire Capital Projects Fund	Nonmajor Governmental Fund	Total 2019
CURRENT ASSETS					
Cash & cash equivalents	\$ 13,278,474	\$ 1,448,398	\$ 2,697,673	\$ 107,025	\$ 17,531,570
Restricted cash & cash equivalents	53,259	-	427,028	-	480,287
Receivables	2,116,361	106,202	55,771	-	2,278,334
Related party receivables	338,884	55,771	-	-	394,655
Inventory	918,326	-	-	-	918,326
Prepaid expense	71,214	1,688	-	-	72,902
Due from other funds	5,364	-	-	-	5,364
TOTAL ASSETS	16,781,882	1,612,059	3,180,472	107,025	21,681,438
CURRENT LIABILITIES					
Accounts payable	818,583	148,260	7,278	-	974,121
Restricted accounts payable	-	-	90,815	-	90,815
Related party payable	2,426	382	-	-	2,808
Accrued liabilities	2,262,782	49,291	-	-	2,312,073
Due to other funds	-	5,364	-	-	5,364
TOTAL LIABILITIES	3,083,791	203,297	98,093	-	3,385,181
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	657,699	14,331	-	-	672,030
TOTAL LIABILITIES AND DEFERRED INFLOWS	3,741,490	217,628	98,093	-	4,057,211
FUND BALANCES					
Nonspendable:					
Inventory	918,326	-	-	-	918,326
Prepaid expense	71,214	1,688	-	-	72,902
Spendable:					
Restricted for capital acquisition	53,259	-	336,213	-	389,472
Committed for:					
Compensated absences	812,944	-	-	-	812,944
Retirement contributions	82,131	21,089	-	-	103,220
Capital acquisitions	-	-	2,746,166	107,025	2,853,191
Assigned	221,036	1,371,654	-	-	1,592,690
Unassigned - 5% State requirement	3,337,395	-	-	-	3,337,395
Unassigned	7,544,087	-	-	-	7,544,087
TOTAL FUND BALANCES	13,040,392	1,394,431	3,082,379	107,025	17,624,227
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 16,781,882	\$ 1,612,059	\$ 3,180,472	\$ 107,025	\$ 21,681,438

The accompanying notes are an integral part of the financial statements.

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

Year ended June 30, 2019

Total Fund Balances - Governmental Funds \$ 17,624,227

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet. Capital assets consist of the following:

Equipment and improvements	64,414,893	
Accumulated depreciation	<u>(40,872,974)</u>	23,541,919

Some ambulance receivables are not available soon enough to pay for the current period's expenditure, and therefore, are reported as unearned in the governmental funds balance sheet.

672,030

Pension obligations, including the net pension asset, net pension liability, and deferred inflows and outflows of resources relating to pensions, are not obligations of the current period and, therefore, are not recorded in the fund.

Deferred outflows of resources relating to pensions	19,848,061	
Net pension liability	(14,660,806)	
Deferred inflows of resources relating to pensions	<u>(6,017,497)</u>	(830,242)

Some liabilities are not due and payable in the current year and therefore are not reported in the governmental funds balance sheet. These liabilities consist of the following:

Accrued interest on capital leases	(172,890)	
Capital leases	(12,083,705)	
Related party note payable	(1,894,629)	
Compensated absences	(4,902,689)	
Net OPEB obligation	<u>(3,043,719)</u>	(22,097,632)

Net Position of Governmental Activities \$ 18,910,302

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year ended June 30, 2019

	MAJOR FUNDS				
	General Fund	Special Revenue Fund	Fire Capital Projects Fund	Nonmajor Governmental Fund	Total 2019
REVENUES					
Member fees	\$ 52,555,107	\$ -	\$ -	\$ -	\$ 52,555,107
Ambulance operations	7,819,934	-	-	-	7,819,934
Fees - Emergency services	-	2,286,330	-	-	2,286,330
Fees - Other	3,441,742	-	-	-	3,441,742
Grants and contributions	41,621	303,706	-	-	345,327
Intergovernmental revenues	289,672	27,528	-	-	317,200
Reimbursements	2,080,408	-	55,771	-	2,136,179
Rent income	94,896	-	-	-	94,896
Investment income	320,416	34,459	107,776	-	462,651
Other income	104,103	2,884	-	-	106,987
TOTAL REVENUES	66,747,899	2,654,907	163,547	-	69,566,353
EXPENDITURES					
Current					
Salaries and benefits	53,503,217	1,112,147	-	-	54,615,364
Operations	7,142,313	925,146	141,148	-	8,208,607
General and administrative	899,369	22,262	1,250	-	922,881
Capital outlay	952,299	438,182	4,876,967	38,024	6,305,472
Debt service	3,708,762	-	-	-	3,708,762
TOTAL EXPENDITURES	66,205,960	2,497,737	5,019,365	38,024	73,761,086
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	541,939	157,170	(4,855,818)	(38,024)	(4,194,733)
OTHER FINANCING SOURCES (USES)					
Proceeds from issuance of long-term debt	-	-	5,231,495	-	5,231,495
Proceeds from sale of assets	-	-	778,738	-	778,738
Transfers in	125,000	-	131,733	40,000	296,733
Transfers out	(231,733)	(165,000)	-	-	(396,733)
Total other financing sources (uses)	(106,733)	(165,000)	6,141,966	40,000	5,910,233
Net change in fund balances	435,206	(7,830)	1,286,148	1,976	1,715,500
Fund balances - beginning	12,708,446	1,402,261	1,796,231	105,049	16,011,987
Decrease in inventory	(103,260)	-	-	-	(103,260)
Fund balances - ending	\$ 13,040,392	\$ 1,394,431	\$ 3,082,379	\$ 107,025	\$ 17,624,227

The accompanying notes are an integral part of the financial statements.

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES Year ended June 30, 2019

Net Change in Fund Balances - Total Governmental funds \$ 1,715,500
Amounts reported for governmental activities in the Statement of
Activities are different because:

Capital outlays are reported as expenditures in governmental funds.
However, in the Statement of Activities, the cost of capital assets is
allocated over their estimated useful lives as depreciation expense.
In the current year, these amounts were as follows:

Capital outlay	6,305,472	
Depreciation expense	(4,060,963)	
Capital assets transferred out, net of accumulated depreciation	(338,870)	
Disposition of capital assets	<u>(159,553)</u>	1,746,086

Net ambulance revenues in the Statement of Activities that do not
provide current financial resources are not reported as revenues in
the funds. (171,710)

Pension liabilities do not require current financial resources and
therefore are not recorded in governmental funds. (958,479)

The issuance of long-term debt provides current financial resources
to governmental funds, while repayment of the principal of long-
term debt consumes current financial resources to governmental
funds. Neither transaction, however, has any net effect on net
assets.

Issuance of long-term debt	(5,231,495)	
Accrued interest on long-term debt	(67,933)	
Repayment of long-term debt	<u>3,422,378</u>	(1,877,050)

Some expenses reported in the Statement of Activities do not
require the use of current financial resources and therefore are not
reported as expenditures in the funds. These activities consist of the
following:

Decrease in OPEB liabilities	349,789	
Decrease in compensated absences	<u>(121,141)</u>	<u>228,648</u>

Changes in Net Position of Governmental Activities \$ 682,995

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION PROPRIETARY FUND June 30, 2019

	Wildland Enterprise Fund
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 450,321
Receivables	83,719
Current assets	<u>534,040</u>
NONCURRENT ASSETS	
Capital assets, net of depreciation	954,042
TOTAL ASSETS	<u>1,488,082</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	<u>48,695</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	29,588
Accrued liabilities	120,433
NONCURRENT LIABILITIES	
Due within one year	132,971
Due in more than one year	274,054
Net pension liability	35,969
TOTAL LIABILITIES	<u>593,015</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	<u>14,763</u>
NET POSITION	
Net investment in capital assets	547,017
Unrestricted	381,982
TOTAL NET POSITION	<u>\$ 928,999</u>

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUND

June 30, 2019

	<u>Wildland Enterprise Fund</u>
OPERATING REVENUES	
Wildland fees	\$ 2,025,159
Intergovernmental contract fees	<u>593,480</u>
	<u>2,618,639</u>
OPERATING EXPENSES	
Salaries and benefits	2,394,157
Operations	331,293
General and administrative	5,448
Depreciation and amortization	<u>63,024</u>
	<u>2,793,922</u>
	TOTAL OPERATING EXPENSES
	<u>(175,283)</u>
	LOSS FROM OPERATIONS
NONOPERATING REVENUE (EXPENSE)	
Donations	1,826
Interest income	12,766
Interest on long-term debt	<u>(7,644)</u>
	<u>(168,335)</u>
Income before contributions and transfers	<u>(168,335)</u>
Capital Contributions	338,870
Transfers in	<u>100,000</u>
CHANGE IN NET POSITION	270,535
NET POSITION - BEGINNING	<u>658,464</u>
NET POSITION - ENDING	<u>\$ 928,999</u>

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS PROPRIETARY FUND June 30, 2019

	<u>Wildland Enterprise Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 2,887,899
Payments to vendors	(347,813)
Payments for general and administrative expenses	(5,448)
Payments to employees	(1,684,484)
Employee benefits paid	(735,800)
NET CASH PROVIDED BY OPERATING ACTIVITIES	114,354
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash received from donors	1,826
Transfers from other fund	100,000
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	101,826
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments for acquisition and construction of capital assets	(57,726)
Principal paid on long-term debt	(84,736)
Interest paid on long-term debt	(7,644)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(150,106)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	12,766
NET DECREASE IN CASH AND CASH EQUIVALENTS	78,840
CASH AND CASH EQUIVALENTS - BEGINNING	371,481
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 450,321</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating income	\$ (175,283)
Adjustments to reconcile operating loss to net cash used by or	
Depreciation and amortization	63,024
(Increase) decrease in assets:	
Accounts receivable	269,260
Increase (decrease) in liabilities:	
Accounts payable	(16,520)
Accrued expenses	(28,164)
Net pension obligations	2,037
Net cash provided by operating activities	<u>\$ 114,354</u>

NONCASH ACTIVITY

Depreciation for the year ended June 30, 2019, was \$63,024.

NOTES TO BASIC FINANCIAL STATEMENTS**June 30, 2019****NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Organization**

Unified Fire Authority (UFA) was formed July 1, 2004. The political subdivision was organized under an interlocal agreement to provide fire and emergency protection services to its members' jurisdictions. UFA is a separate legal entity, with a seventeen member board of elected officials, fourteen of which represent the Unified Fire Service Area and three of which represent member municipalities. Board members serve for a specified term and cannot be removed without cause. However, as the members are unable to impose their will and are not financially accountable for UFA, UFA is not reported as a component unit of the members. As of June 30, 2019, UFA members included Unified Fire Service Area (Eagle Mountain, Herriman, Midvale, Millcreek, Riverton, Taylorsville, Copperton Township, Emigration Canyon Township, Kearns Township, Magna Township, White City Township, and unincorporated areas of Salt Lake County); the cities of Cottonwood Heights and Holladay; and the Town of Alta.

Government-Wide and Fund Financial Statements

Government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of UFA. The effect of interfund activity has been removed from these statements. The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those which are clearly identifiable with a specific program. Program revenues include: (1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given program, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Other items not properly included among program revenues are reported as general revenues.

Fund financial statements present each major individual fund as a separate column. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. UFA segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. UFA considers ambulance revenues to be available if collected within 60 days of the end of the current fiscal period. Grants associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Governmental funds are those through which most of the governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund is charges to customers for services. Operating expenses for enterprise funds include the cost of service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

UFA has presented the following major governmental funds:

- **General Fund** – the general fund is the main operating fund of UFA, used for all financial resources not accounted for in other funds. All general revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from this Fund.
- **Special Revenue Fund** – the special revenue fund is used to account for funds received and expended for the operation of the Emergency Management function for Salt Lake County.
- **Fire Capital Projects Fund** – this fund is a capital projects fund used to account for funds received and expended for capital replacement for the fire protection divisions of Unified Fire Authority.

UFA's nonmajor governmental fund is a capital projects fund used to account for financial resources to be used for capital replacement for the Emergency Management division of UFA.

UFA also reports the following major proprietary fund:

- **Enterprise Fund** – this fund is used to account for the operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered similarly through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. UFA currently operates an enterprise fund for wildland firefighting services that are contracted to other governmental agencies.

Implementation of New GASB Pronouncement

In March 2018, the GASB issued Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. This statement amends Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments; Statement No. 38, Certain Financial Statement Note Disclosures; Interpretation No. 1, Demand Bonds Issued by State and Local Governmental Entities; NCGA Interpretation 6, Notes to the Financial Statements Disclosure; and Implementation Guide No. 2015-1.

Cash and Cash Equivalents

Cash equivalents are highly liquid investments with maturities of three months or less when purchased.

Investments

Investments of the Agency are stated at cost, which approximates fair value in accordance with GASB No. 72 Fair Value Measurement and Application.

Accounts Receivable

Accounts receivable are generally comprised of reimbursement for member fees, ambulance services, Urban Search and Rescue (USAR), and Wildland operations, which are expected to be paid by private and government entities. Accounts receivable are stated at the amount management expects to collect from outstanding balances. UFA calculates its allowance for doubtful accounts based on historical collection rates.

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventory

Inventory consists principally of items for use within fire stations and ambulances, including: cleaning, kitchen, and medical supplies; motor vehicle parts and supplies; personal protective equipment; and small tools. Inventory is valued at replacement cost.

Capital Assets

Capital assets, which include building, improvements, land, and various types of equipment, are reported in the government-wide financial statements as well as the proprietary fund financial statements. Capital assets are defined by UFA as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Purchased assets are recorded at historical cost. Donated assets are recorded at fair market value at the date of gift.

Major additions are capitalized while maintenance and repairs, which do not improve or extend the life of the respected assets, are charged to expense. No depreciation is recognized on construction in progress until the asset is placed in service. UFA does not possess any infrastructure. UFA uses certain vehicles and station facilities which are owned by its members and are not reflected in capital assets.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Equipment and furniture	2 – 20 years
Building and improvements	5 – 39 years

Compensated Absences

For governmental funds, amounts of vested or accumulated vacation that are not expected to be liquidated with expendable available resources are reported as liabilities in the government-wide statement of net position and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements. Vested or accumulated vacation leave is recorded as an expense and a liability as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund statements.

Sick pay amounts are charged to expenditures when incurred. Employees may accumulate sick leave up to 960 hours. Accumulated sick leave exceeding 960 hours at the end of each calendar year is paid to employees, at a rate approved by the UFA Board (60% for 2019). Accumulated sick leave is paid to employees upon retirement, at a rate of 25% of the total accumulated leave. Employees that are terminated for any reasons other than retirement are not paid for accumulated sick leave. The liability for accumulated sick pay amounts is not accrued until an employee becomes eligible for retirement.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred outflows/inflows of Resources

In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

NOTES TO BASIC FINANCIAL STATEMENTS**June 30, 2019****NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Revenues – Exchange and Non-Exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. UFA determines funds to be available of received within 60 days of year end (90 days for intergovernmental revenues).

Non-exchange transactions, in which UFA receives value without directly giving value in return, include grant and donations. On the accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include: timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which UFA must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to UFA on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

Expenditure Recognition

In governmental funds, expenditures are generally recorded when the related liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures, and proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Risk Management

Unified Fire Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions, and natural disasters for which it carries commercial insurance. UFA also carries commercial workers' compensation insurance. There were no significant reductions in coverage from the prior year, and settlement claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position/Fund Balances

The difference between assets and liabilities is reported as net position on the government-wide financial statements and fund balance on the governmental fund statements. UFA's net position is classified as follows:

- **Net investment in capital assets** – This component of net position consists of UFA's total investment in capital assets, net of accumulated depreciation, reduced by the outstanding debt obligations related to those assets. To the extent debt has been incurred, but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.
- **Restricted for inventory** – This component of net position consists of net position related to inventory on hand.
- **Restricted for prepaid expense** – This component of net position consists of net position related to funds paid to vendors prior to receipt of goods and/or services.
- **Unrestricted** – This component of net position consists of net position that do not meet the definition of "restricted" or "net investment in capital assets". Utah code 10-6-116(4) requires that entities maintain 5% of total general fund revenues as a minimum fund balance. As of June 30, 2019, UFA was required to maintain \$3,345,468 (5% of fiscal year 2019 General fund revenues).

In the governmental fund statements, fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned. Restricted represents those portions of fund balance where constraints placed on the resources are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the UFA Board, such as an appropriation. Assigned fund balance is constrained by the Board's intent to be used for specific purposes, by directive of the Board or Finance Committee. When an expenditure is incurred for purposes for which restricted, committed, assigned and unassigned resources are available, UFA generally uses restricted resources first, followed by committed and assigned resources, before unassigned resources are used.

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following at June 30, 2019:

	Governmental Activities	Business-Type Activities	Total
Unrestricted cash - net of outstanding checks	\$ 1,777,753	\$ -	\$ 1,777,753
Public Treasurer's Investment Fund	15,753,817	450,321	16,204,138
Restricted cash and cash equivalents	480,287	-	480,287
Total cash and cash equivalents	<u>\$ 18,011,857</u>	<u>\$ 450,321</u>	<u>\$ 18,462,178</u>

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the State, and review the rules adopted under the authority of the Utah Money Management Act that relate to the deposit and investment of public funds.

UFA follows the requirements of the Utah Money Management Act in handling its depository and investment transactions. The Act requires depositing of UFA's funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 2 - CASH AND CASH EQUIVALENTS (CONTINUED)**Deposits**

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the local government's deposits may not be recovered. UFA's deposits are insured up to \$250,000 per institution by the Federal Deposit Insurance Corporation. Deposits above \$250,000 are exposed to credit risk. As of June 30, 2019, UFA's deposits had a bank balance of \$2,013,621, of which \$250,000 is insured and \$1,763,621 is uninsured and uncollateralized. Utah State Law does not require deposits to be insured or collateralized. UFA does not have a formal policy for custodial credit risk.

Investments

The Money Management Act defines the types of securities authorized as appropriate investments for UFA's funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

These statutes authorize UFA to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investors Services or Standard & Poor's; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurers' Investment Fund (PTIF).

The Utah State Treasurer's Office operates the PTIF which is available for investment of funds administered by any Utah public treasurer. The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments.

The entire balance has a maturity of less than one year. The PTIF pool has not been rated. The PTIF is reported as a fiduciary fund by the State of Utah in its Comprehensive Annual Financial Report. A copy of the report may be obtained online at <http://treasurer.utah.gov/investor-information/comprehensive-annual-financial-report-cafr/>.

Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments. The PTIF operates and reports to participants on an amortized cost basis. The participant's balance is their investment deposited in the PTIF plus their share of income, gains, and losses net of administration fees which is allocated to each participant on the ratio of each participant's share to the total funds in the PTIF. The participant's monthly investment amount is based upon their average daily balance.

At June 30 and December 31 each year, the fair value of the investments is determined to enable participants (public entities having those year ends) to adjust their investments in the pool. As of June 30, 2019, UFA had \$16,204,138 invested in PTIF which had a fair value of \$16,271,026. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares. The fair value of the PTIF investments is measured using Level 2 inputs as noted below.

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 2 - CASH AND CASH EQUIVALENTS (CONTINUED)

Fair Value of Investments

The agency measures its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets
- Level 2: Observable inputs other than quoted market prices
- Level 3: Unobservable inputs

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. UFA manages its exposure to declines in fair value by investment mainly in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. UFA's investment policy limits the term of investments to a maximum maturity that shall not exceed five years in order to manage its exposure to fair value losses arising from increasing interest rates. The investment policy also specifies that UFA's investment portfolio will remain sufficiently liquid to enable UFA to meet all operating requirements which might be reasonably anticipated.

Custodial Credit Risk for investments is the risk that, in the event of a failure of the counterparty, UFA will not be able to recover the value of the investment or collateral securities that are in possession of an outside party. UFA's policy for limiting the credit risk of investments is to comply with the Money Management Act, as previously discussed. All of UFA's investments at June 30, 2019, were with the PTIF and therefore are unrated and are not categorized as to custodial credit risk.

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. UFA's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council, as applicable. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio.

NOTE 3 - RECEIVABLES

Accounts receivable as of June 30, 2019, consist of the following:

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Activities	Wildland Enterprise Fund
Accounts receivable					
Due from other governments	\$ 389,891	\$ -	\$ -	\$ 389,891	\$ 83,719
Ambulance services	4,569,084	-	-	4,569,084	-
Accrued revenues	21,115	-	-	21,115	-
Related party receivable	338,884	-	55,771	394,655	-
Miscellaneous	16,255	-	-	16,255	-
Total accounts receivable	5,335,229	-	55,771	5,391,000	83,719
Grants receivable	66,485	161,973	-	228,458	-
Allowance for uncollectible accounts	(2,946,469)	-	-	(2,946,469)	-
Total Receivables	<u>\$2,455,245</u>	<u>\$161,973</u>	<u>\$55,771</u>	<u>\$ 2,672,989</u>	<u>\$ 83,719</u>

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 4 - CAPITAL ASSETS

The changes in capital assets for the year ended June 30, 2019 are as follows:

	July 1, 2018	Additions/ Transfers In	Disposals/ Transfers Out	June 30, 2019
Governmental activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 1,889,332	\$ 2,051,530	\$ (1,707,832)	\$ 2,233,030
Land	416,277	-	-	416,277
Total capital assets not being depreciated	2,305,609	2,051,530	(1,707,832)	2,649,307
Capital assets being depreciated:				
Building and improvements	3,449,834	116,103	-	3,565,937
Computer software and equipment	2,924,150	19,440	-	2,943,590
Furniture and equipment	6,952,955	3,056,358	(1,092,667)	8,916,646
Land improvements	294,250	-	-	294,250
Transportation equipment	47,664,376	2,693,537	(4,312,748)	46,045,165
Total capital assets being depreciated	61,285,565	5,885,438	(5,405,415)	61,765,588
Less accumulated depreciation for:				
Building and improvements	(747,951)	(102,379)	-	(850,330)
Computer software and equipment	(2,247,819)	(206,572)	-	(2,454,391)
Furniture and equipment	(4,071,107)	(743,782)	1,022,093	(3,792,796)
Land improvements	(140,562)	(16,872)	-	(157,434)
Transportation equipment	(34,445,497)	(2,991,359)	3,818,832	(33,618,024)
Total accumulated depreciation	(41,652,936)	(4,060,964)	4,840,925	(40,872,975)
Total capital assets being depreciated, net	19,632,629	1,824,474	(564,490)	20,892,613
Total capital assets, net	\$ 21,938,238	\$ 3,876,004	\$ (2,272,322)	\$ 23,541,920
Business-Type activities:				
Capital assets being depreciated:				
Building and improvements	3,152	-	-	3,152
Computer software and equipment	6,694	-	-	6,694
Furniture and equipment	17,000	-	-	17,000
Transportation equipment	701,198	1,188,418	-	1,889,616
Total assets being depreciated	728,044	1,188,418	-	1,916,462
Less accumulated depreciation for:				
Building and improvements	(130)	(315)	-	(445)
Computer software and equipment	(6,694)	-	-	(6,694)
Furniture and equipment	(17,000)	-	-	(17,000)
Transportation equipment	(226,153)	(712,128)	-	(938,281)
Total accumulated depreciation	(249,977)	(712,443)	-	(962,420)
Total capital assets, net	\$ 478,067	\$ 475,975	\$ -	\$ 954,042

Depreciation and amortization charged for the year ended June 30, 2019:

	Governmental Activities	Business-Type Activities
Fire protection services	\$ 3,947,133	\$ -
Emergency services	113,831	-
Wildland services	-	63,024
	<u>\$ 4,060,964</u>	<u>\$ 63,024</u>

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 5 - COMPENSATED ABSENCES

The changes in compensated absences for the year ended June 30, 2019, are as follows:

	<u>Beginning</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending</u>
Vacation	\$ 4,342,526	\$ 2,864,805	\$ (2,757,656)	\$ 4,449,675
Sick leave	439,020	1,451,820	(1,437,826)	453,014
Total compensated absences				
(including \$1,627,272 classified as current)	<u>\$ 4,781,546</u>	<u>\$ 4,316,625</u>	<u>\$ (4,195,482)</u>	<u>\$ 4,902,689</u>

NOTE 6 - CAPITAL LEASES

The following is a summary of transactions affecting capital lease obligations for the fiscal year ended June 30, 2019:

	<u>Beginning</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending</u>
Governmental	\$ 10,307,110	\$ 5,089,092	\$ (3,312,497)	\$ 12,083,705
Business-Type	349,358	142,403	(84,737)	407,024
Total Capital Lease Obligations	<u>\$ 10,656,468</u>	<u>\$ 5,231,495</u>	<u>\$ (3,397,234)</u>	<u>\$ 12,490,729</u>

UFA's outstanding capital leases from direct borrowings contain a provision that in event of default, outstanding amounts become immediately due if UFA is unable to make payment. Under the terms of all leases, UFA will gain ownership at the time of its last lease payment. Principal remaining at June 30, 2019 is:

	<u>Governmental</u>	<u>Business-Type</u>
Capital lease collateralized by SCBA equipment, communications equipment, multiple fire apparatus, and ambulances; bearing interest at 2.02% with annual principal and interest payments of \$2,800,000 through December 2021	\$ 7,664,705	\$ 407,024
Capital lease collateralized by a bomb suit, medical equipment, thermal imaging cameras, stretchers, light fleet and apparatus, IT equipment, and a building improvement, bearing interest at 2.88% with annual principal and interest payments of \$812,495 through October 2024	\$ 4,419,000	\$ -
	<u>\$ 12,083,705</u>	<u>\$ 407,024</u>

As of June 30, 2019, assets recorded under the outstanding leases are: transportation equipment and information technology/communications equipment having original cost of \$18,532,227, with \$3,596,927 of accumulated amortization. Amortization, included with depreciation on the financial statements, was \$1,955,587 for the year ended June 30, 2019. Interest on capital leases charged to expense for the year ended June 30, 2019 was \$283,193. The following is a schedule by years of future minimum payments required under the leases together with their present value as of June 30, 2019:

	<u>Governmental</u>			<u>Business-Type</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	3,189,208	282,094	3,471,302	132,970	8,222	141,192
2021	3,259,523	211,779	3,471,302	135,656	5,536	141,192
2022	3,331,428	139,875	3,471,303	138,397	2,795	141,192
2023	746,153	66,342	812,495	-	-	-
2024	767,642	44,853	812,495	-	-	-
2025	789,750	22,745	812,495	-	-	-
Total minimum lease payments	<u>\$ 12,083,704</u>	<u>\$ 767,688</u>	<u>12,851,392</u>	<u>\$ 407,023</u>	<u>\$ 16,553</u>	<u>423,576</u>
Less amount representing interest			<u>(767,688)</u>			<u>(16,553)</u>
Present value of minimum lease payments						
(including \$3,322,178 classified as current)			<u>\$ 12,083,704</u>			<u>\$ 407,023</u>

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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 7 - PENSION PLAN

Plan Description

Eligible plan participants are provided with pensions through the Utah Retirement Systems (the Systems). The Systems are comprised of the following defined benefit pension trust funds:

- Multiple-employer cost-sharing public employee retirement systems:
- Public Employees Noncontributory Retirement System (Noncontributory System)
- Firefighters Retirement System (Firefighters System)
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System)
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System)
- Public Safety Retirement System (Public Safety System)

The Tier 2 Public Employees System became effective July 1, 2011. Beginning on or after July 1, 2011, all eligible employees who have no previous service credit with any of the Utah Retirement Systems are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 East 200 South, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

Benefits Provided

URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

System	Final Average Salary	Year of service required and/or age eligible for benefit	Benefit % per year of service	COLA **
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% to 4% depending on the employer
Firefighters System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

* With actuarial reductions

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 7 - PENSION PLAN (CONTINUED)

Contributions

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2019, are as follows:

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates	Employer Rate for 401(k) Plan
Contributory System				
Local Governmental Division Tier 2	N/A	N/A	15.54%	1.15%
Noncontributory System				
Local Governmental Division Tier 1	N/A	N/A	18.47%	N/A
Public Safety Retirement System				
Tier 2 DB Hybrid Public Safety	N/A	N/A	24.25%	0.74%
Other Division A Noncontributory Tier 1	N/A	N/A	35.71%	N/A
Firefighters System				
Division B Tier 1	N/A	16.71%	7.24%	N/A
Tier 2 DB Hybrid Firefighters	N/A	N/A	11.34%	0.74%
Tier 2 DC Only				
Local Government	N/A	N/A	6.69%	10.00%
Public Safety	N/A	N/A	12.99%	12.00%
Firefighters	N/A	N/A	0.08%	12.00%

* Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of Tier 1 plans.

Contributions reported are the URS Board-approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 System. For the fiscal year ended June 30, 2019, the employer and employee contributions to the Systems were as follows:

	Employer Contributions	Employee Contributions
Noncontributory System	\$ 448,531	N/A
Public Safety System	58,788	-
Firefighters System	5,903,572	-
Tier 2 Public Employees System	117,121	-
Tier 2 Public Safety & Firefighter System	337,188	-
Tier 2 DC Only System	18,348	N/A
Tier 2 DC Public Safety and Firefighter System	560	N/A
	<u>\$ 6,884,108</u>	<u>\$ -</u>

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 7 - PENSION PLAN (CONTINUED)

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, we reported a net pension asset of \$0 and a net pension liability of \$14,696,775.

	12/31/2018 Measurement Date			Proportionate Share	
	Net Pension Asset	Net Pension Liability	Proportionate Share	12/31/2017	Change
Noncontributory System	\$ -	\$ 2,185,337	0.296771%	0.281594%	0.015177%
Public Safety System	-	265,843	0.103337%	0.099592%	0.003745%
Firefighters System	-	12,176,773	30.129190%	30.262730%	-0.133540%
Tier 2 Public Employees System	-	23,921	0.055854%	0.048644%	0.007210%
Tier 2 Public Safety & Firefighter System	-	44,901	1.792058%	2.278416%	-0.486358%
Total Net Pension Asset/Liability	\$ -	\$ 14,696,775			

The net pension asset and liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2018 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2019, we recognized pension expense of \$3,723,094.

At June 30, 2019, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual	\$ 48,906	\$ 4,732,505
Changes in assumptions	8,389,961	1,284,148
Net difference between projected and actual earnings on pension plan investments	9,880,864	-
Change in proportion and differences between contributions and proportionate share of contributions	177,891	15,607
Contributions subsequent to the measurement date	1,399,134	-
	<u>\$ 19,896,756</u>	<u>\$ 6,032,260</u>

Deferred outflows of resources related to pensions (\$1,399,134) results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows/ (Inflows) of Resources
2019	\$ 3,743,019
2020	861,603
2021	2,646,390
2022	5,147,893
2023	(11,502)
Thereafter	77,959

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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 7 - PENSION PLAN (CONTINUED)

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2019, we recognized pension expense of \$659,086. At June 30, 2019, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 28,106	\$ 40,759
Changes in assumptions	292,751	-
Net difference between projected and actual earnings on pension plan investments	454,744	-
Change in proportion and differences between contributions and proportionate share of contributions	99,902	5,105
Contributions subsequent to the measurement date	216,530	-
	<u>\$ 1,092,033</u>	<u>\$ 45,864</u>

Deferred outflows of resources related to pensions (\$216,530) results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows/ (Inflows) of Resources
2019	\$ 372,967
2020	170,601
2021	70,613
2022	215,459
2023	-
Thereafter	-

Public Safety System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2019, we recognized pension expense of \$87,352. At June 30, 2019, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 12,652
Changes in assumptions	30,558	-
Net difference between projected and actual earnings on pension plan investments	45,876	-
Change in proportion and differences between contributions and proportionate share of contributions	7,039	-
Contributions subsequent to the measurement date	30,757	-
	<u>\$ 114,230</u>	<u>\$ 12,652</u>

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 7 - PENSION PLAN (CONTINUED)

Deferred outflows of resources related to pensions (\$30,757) results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows/ (Inflows) of Resources
2019	\$ 36,463
2020	7,046
2021	5,535
2022	21,777
2023	-
Thereafter	-

Firefighters System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2019, we recognized pension expense of \$2,651,764. At June 30, 2019, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 4,674,091
Changes in assumptions	8,017,937	1,282,071
Net difference between projected and actual earnings on pension plan investments	9,340,808	-
Change in proportion and differences between contributions and proportionate share of contributions	18,781	10,503
Contributions subsequent to the measurement date	887,053	-
	<u>\$ 18,264,579</u>	<u>\$ 5,966,665</u>

Deferred outflows of resources related to pensions (\$887,053) results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows/ (Inflows) of Resources
2019	\$ 3,316,465
2020	670,027
2021	2,555,409
2022	4,887,792
2023	(18,831)
Thereafter	-

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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 7 - PENSION PLAN (CONTINUED)

Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2019, we recognized pension expense of \$61,833. At June 30, 2019, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 168	\$ 4,944
Changes in assumptions	5,996	430
Net difference between projected and actual earnings on pension plan investments	7,790	-
Change in proportion and differences between contributions and proportionate share of contributions	7,462	-
Contributions subsequent to the measurement date	71,875	-
	<u>\$ 93,291</u>	<u>\$ 5,374</u>

Deferred outflows of resources related to pensions (\$71,875) results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows/ (Inflows) of Resources
2019	\$ 2,714
2020	1,979
2021	2,167
2022	3,817
2023	722
Thereafter	4,643

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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 7 - PENSION PLAN (CONTINUED)

Tier 2 Public Safety and Firefighter System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2019, we recognized pension expense of \$263,059. At June 30, 2019, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,632	\$ 59
Changes in assumptions	42,719	1,647
Net difference between projected and actual earnings on pension plan investments	31,646	-
Change in proportion and differences between contributions and proportionate share of contributions	44,705	-
Contributions subsequent to the measurement date	192,920	-
	<u>\$ 332,622</u>	<u>\$ 1,706</u>

Deferred outflows of resources related to pensions (\$192,920) results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows/ (Inflows) of Resources
2019	\$ 14,410
2020	11,951
2021	12,666
2022	19,048
2023	6,607
Thereafter	73,316

Actuarial Assumptions

The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary	3.25 – 9.75%, average, including inflation
Investment rate of return	6.95%, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2018, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2016.

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 7 - PENSION PLAN (CONTINUED)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target	Real Return	Long-term
Equity securities	40 %	6.15 %	2.46 %
Debt securities	20 %	0.40 %	0.08 %
Real assets	15 %	5.75 %	0.86 %
Private equity	9 %	9.95 %	0.89 %
Absolute return	16 %	2.85 %	0.46 %
Cash and cash equiv	- %	- %	- %
Totals	100 %		4.75 %
Inflation			2.50 %
Expected arithmetic nom			7.25 %

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.5%, a real return of 4.45% that is net of investment expense.

Discount rate

The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate remained unchanged at 6.95%.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.95 %) or one percentage point higher (7.95%) than the current rate:

	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 4,478,761	\$ 2,185,337	\$ 275,520
Public Safety System	521,100	265,843	58,631
Firefighters System	54,796,744	12,176,773	(22,877,161)
Tier 2 Public Employees System	95,833	23,921	(31,577)
Tier 2 Public Safety and Firefighters	338,671	44,901	(179,906)
Total	\$ 60,231,109	\$ 14,696,775	\$ (22,754,493)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available separately in the separately issued URS financial report.

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 8 - DEFINED CONTRIBUTION SAVINGS PLAN

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b), and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately-issued URS financial report.

UFA participates in the following Defined Contribution Savings Plans with URS: 401(k), 457(b), Roth IRA, and Traditional IRA plans. Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans were as follows for the fiscal years ended June 30:

	2019	2018	2017
Employer contributions - 401(k)	\$ 538,501	\$ 340,106	\$ 303,922
Employee contributions - 401(k)	345,410	387,559	383,631
Employer contributions - 457	-	-	-
Employee contributions - 457	1,844,245	1,719,026	1,582,449
Employer contributions - Roth IRA	N/A	N/A	N/A
Employee contributions - Roth IRA	288,570	221,900	194,109
Employer contributions - Traditional IRA	N/A	N/A	N/A
Employee contributions - Traditional IRA	600	725	150

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS

Plan Description

Unified Fire Authority provides post-employment health and dental benefits, through a single employer defined benefit plan, to employees who retire from UFA and qualify to retire from the Utah Retirement Systems. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

Premiums are shared by the retiring eligible employee and UFA. As of June 30, 2019, UFA paid up to 80% of the retiree's health care and dental premiums through SelectHealth and Public Employees Health Program, respectively, on a pay-as-you-go basis. The remainder is paid by the retiree. The benefits, employee and UFA contributions are governed by UFA policy and can be amended at any time. During the year ending June 30, 2019, UFA paid retiree health care and dental premiums of \$149,122.

Employees Covered by Benefit Terms

Effective November 20, 2012, the Board approved the dissolution of the Unified Fire Authority Retiree Healthcare Plan. The resolution adopted eliminates the Post-Retirement Insurance Premium for anyone retiring after December 31, 2013. In addition, no member retiring after June 15, 2012 is eligible for a subsidized Medicare Supplement. This plan change eliminated a large portion of the active member liabilities for post-retirement healthcare.

At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	46
Inactive employees entitle to but not yet receiving benefit	-
Active employees	-
Total Plan Members	<u>46</u>

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability

UFA's total OPEB liability of \$3,043,719 was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2018.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	No explicit inflation assumption used
Salary increases	Not applicable, all members are inactive
Discount rate	3.13%
Healthcare cost trend rates	Initial rate of 3.50% followed by 7.10%, declining to an ultimate rate of 4.25% after
Retirees' share of benefit-related costs	20% of projected health insurance premiums for retirees

The discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date.

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA from 2000.

The actuarial assumptions used in the June 30, 2019, valuation were based on assumptions developed for the Utah Retirement System (URS) in which UFA participates.

Changes in the Total OPEB Liability

Balance at 6/30/2018	\$ 3,393,508
Changes for the year:	
Service cost	-
Interest	117,145
Changes of benefit terms	-
Difference between expected and actual experience	(374,557)
Changes in assumptions or other inputs	222,522
Benefit payments	(314,899)
Net changes	(349,789)
Balance at 6/30/2019	<u>\$ 3,043,719</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.62% in 2018 to 3.13% in 2019.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of UFA, as well as what UFA's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-lower (2.62%) or 1-percentage-point higher (4.62%) than the current discount rate:

	1% Decrease 2.13%	Discount Rate 3.13%	1% Increase 4.13%
Total OPEB liability	\$ 3,373,068	\$ 3,043,719	\$ 2,767,337

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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of UFA, as well as what UFA's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Healthcare Cost Trend		
	1% Decrease	Rates	1% Increase
Total OPEB liability	\$ 2,779,163	\$ 3,043,719	\$ 3,352,203

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, UFA recognized negative OPEB expense of \$260,723. At June 30, 2019, UFA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or other inputs	-	-
	<u>\$ -</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows for the years ending June 30:

	Net Deferred Outflows/ (Inflows)
2019	\$ -
2020	-
2021	-
2022	-
2023	-
Thereafter	-
Total	<u>\$ -</u>

NOTE 10 - RELATED PARTY TRANSACTIONS

Unified Fire Service Area (UFSA)

Unified Fire Authority received operating fees from its members in the amount of \$52,555,107 during the fiscal year ending June 30, 2019, which represents approximately 75.4% of total UFA governmental revenues. Of these fees, \$46,266,842 was received from the UFSA, which represents approximately 88% of total member fees for the fiscal year. UFSA also paid UFA \$289,672 and \$104 for financial management and administrative services and reimbursements, respectively, during the fiscal year ended June 30, 2019. As of June 30, 2019, UFA's accounts receivable included \$15,333 due from UFSA for reimbursements.

In February 2012, UFA entered into an interlocal agreement with UFSA to finance the purchase of a warehouse in West Jordan, Utah. UFSA loaned \$2.5 million to UFA for purchase of the building. The remaining funds (\$1 million) for purchase, relocation, and renovation were provided by UFA. The agreement requires UFA to pay 228 monthly payments of \$15,672. Upon commencement of payments in June 2013, the agreement bears 4% interest. UFA paid \$105,579 principal and \$82,482 interest to UFSA during the fiscal year ended June 30, 2019.

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 10 - RELATED PARTY TRANSACTIONS (CONTINUED)

The following is a schedule by years of future minimum payments required under the agreement as of June 30, 2019:

2020	\$	114,357
2021		119,017
2022		123,865
2023		128,912
2024		134,164
2025-2029		757,403
2030-2032		516,911
		<u>\$ 1,894,629</u>

Salt Lake County (the County)

UFA received operating fees restricted for emergency services from the County totaling \$2,286,330, as well as \$3,175,713 to provide fire protection to the Canyon Recreational areas for the year ended June 30, 2019. Unified Fire Authority operates under a cooperative agreement with the County for telephone services and maintenance of buildings. UFA paid the County for telephone services, building maintenance, and improvements totaling \$49,185 as well as miscellaneous reimbursements of \$2,011 in fiscal year 2019. UFA's accounts payable at June 30, 2019 included \$382 due to the County.

The interlocal agreement organizing Unified Fire Authority provides for a sublease of the Emergency Operations Center from the County effective July 1, 2004. Payments required under the lease consist of UFA's proportion (based on usage of facility square footage) of 9% of the total bond payment due by the County for the Salt Lake County Municipal Building Authority Revenue Bonds, Series 1999. Beginning in January 2010, the County reduced UFA's lease payments. Payments for the year ended June 30, 2019 under the lease totaled \$146,669. Future minimum noncancelable lease payments under the interlocal agreement are as follows:

2020	\$	163,836
2021		82,088
		<u>\$ 245,924</u>

Salt Lake Urban Search and Rescue (USAR)

UFA is the sponsoring agency for the Salt Lake Urban Search and Rescue (USAR) task force, a non-profit corporation. USAR is one of 28 State and local emergency management task forces designated by the Federal Emergency Management Agency (FEMA) as members of the National Urban Search and Rescue (US&R) Response System. Salt Lake City and Park City also participate in the task force. USAR's Board of Directors consists of four members: two from UFA and two from Salt Lake City.

As sponsoring agency, UFA entered into an agreement with FEMA requiring training and maintenance of a task force for emergency response in accordance with FEMA standards. USAR and UFA entered into a reimbursement agreement for USAR's share of various costs, such as: warehouse storage, office space, office equipment, and utilities. USAR leases approximately 19,000 square feet of warehouse and office space in UFA's new warehouse facility. As of June 30, 2019, future minimum lease receipts under the agreement are \$94,896 for the fiscal year. During the fiscal year ended June 30, 2019, USAR reimbursed UFA for lease-related reimbursements including utilities, improvements, maintenance, equipment costs and miscellaneous purchases (\$24,259).

USAR's staffing and daily management is primarily provided by UFA employees. During the fiscal year ended June 30, 2019, USAR reimbursed \$481,517 to UFA for salaries and benefits related to daily operations of the task force. Additionally, USAR reimbursed for training and deployment personnel costs of \$266,552.

In January 2019, UFA purchased two trucks on behalf of USAR as part of its vehicle replacement (aggregate cost \$90,375). Two vehicles owned by USAR were subsequently sold by UFA, yielding net proceeds of \$34,601 to offset the earlier purchase. The remaining amount due to UFA was \$55,771. Other rent and reimbursements included in accounts receivable due by USAR to UFA at June 30, 2019, were \$305,820.

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 11 - TRANSACTIONS BETWEEN FUNDS

Legally authorized transfers are treated as interfund transfers and are included in the results of operations in the fund financial statements, but are generally excluded from the government-wide financial statements. Interfund transfers are listed below for the year ended June 30, 2019:

Transfers In	Transfers Out		
	General Fund	Special Revenue Fund	Total
General Fund	\$ -	\$ 125,000	\$ 125,000
Fire Capital Projects Fund	131,733	-	131,733
Emergency Services Capital Projects Fund	-	40,000	40,000
Proprietary Fund	100,000	-	100,000
Total	<u>\$ 231,733</u>	<u>\$ 165,000</u>	<u>\$ 396,733</u>

In June 2019, the UFA Board approved a transfer of assets from the General Fund to the Wildland Enterprise fund. Total cost and accumulated depreciation for the transportation equipment as of June 30, 2019, was \$1,130,692 and \$649,419, respectively. One asset transferred carries outstanding debt totaling \$142,403, which was transferred to the Wildland Enterprise fund. The net effect of the transfer resulted in a capital contribution from the General Fund of \$338,870.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Purchase orders (encumbrances) as of June 30, 2019, for items ordered but not received during the fiscal year are as follows:

Year-end Encumbrances	Governmental Activities	Business-Type Activities
General Fund	\$ 273,436	\$ -
Wildland Enterprise Fund	-	6,379
Special Revenue Fund	116,970	-
Fire Capital Projects Fund	583,849	-
Emergency Management Capital Projects Fund	27,589	-
	<u>\$ 1,001,844</u>	<u>\$ 6,379</u>

A portion of encumbrances as of June 30, 2019 (\$388,613) is included in fund balance restricted for capital acquisitions.

As of June 30, 2019, UFA is a defendant in a lawsuit that has arisen in the normal course of business. While substantial damages are alleged in this action, the outcome cannot be predicted with certainty. In the opinion of UFA's attorney, this action when finally adjudicated will not have material adverse effect on the financial position of UFA.



REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedules
Other Post-Employment Benefit Plan Schedules
Notes to Required Supplementary Information

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
June 30, 2019**

	MAJOR FUNDS		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Member fees	\$ 52,941,229	\$ 52,556,108	\$ 52,555,107	\$ (1,001)
Ambulance operations	7,000,000	7,045,000	7,819,934	774,934
Fees - Other	3,430,313	3,430,313	3,441,742	11,429
Grants and contributions	-	208,201	41,621	(166,580)
Intergovernmental revenues	284,696	284,696	289,672	4,976
Reimbursements	654,617	2,289,070	2,080,408	(208,662)
Rent income	94,896	94,896	94,896	-
Investment income	100,000	124,000	320,416	196,416
Other income	30,466	30,466	104,103	73,637
TOTAL REVENUES	64,536,217	66,062,750	66,747,899	685,149
EXPENDITURES				
Current				
Salaries and benefits	54,790,855	54,979,166	53,503,217	1,475,949
Operations	7,503,771	7,803,972	7,240,073	563,899
General and administrative	775,568	1,029,488	926,029	103,459
Capital outlay	191,995	1,062,244	951,993	110,251
Debt service	3,696,267	3,708,762	3,708,762	-
TOTAL EXPENDITURES	66,958,456	68,583,632	66,330,074	2,253,558
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,422,239)	(2,520,882)	417,825	2,938,707
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of long-term debt	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Transfers in	125,000	125,000	125,000	-
Transfers out	(100,000)	(263,456)	(231,733)	31,723
Total other financing sources (uses)	25,000	(138,456)	(106,733)	31,723
Net change in fund balances	(2,397,239)	(2,659,338)	311,092	2,970,430
Fund balances - beginning	12,708,446	12,708,446	12,708,446	-
Increase in inventory	-	-	(103,260)	(103,260)
Fund balances - ending	\$ 10,311,207	\$ 10,049,108	\$ 12,916,278	\$ 2,867,170

**BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
Year ended June 30, 2019**

	<u>MAJOR FUNDS</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u> <u>Final Budget</u>
REVENUES				
Fees - Emergency services	\$ 2,186,457	\$ 2,286,330	\$ 2,286,330	\$ -
Grants and contributions	574,011	623,530	303,706	(319,824)
Intergovernmental revenues	55,000	55,000	27,528	(27,472)
Investment income	-	-	34,459	34,459
Other income	-	-	2,884	2,884
TOTAL REVENUES	<u>2,815,468</u>	<u>2,964,860</u>	<u>2,654,907</u>	<u>(309,953)</u>
EXPENDITURES				
Current				
Salaries and benefits	1,427,174	1,527,047	1,112,147	414,900
Operations	1,060,194	1,013,938	921,576	92,362
General and administrative	38,100	38,100	22,917	15,183
Capital outlay	125,000	359,175	357,930	1,245
TOTAL EXPENDITURES	<u>2,650,468</u>	<u>2,938,260</u>	<u>2,414,570</u>	<u>523,690</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	165,000	26,600	240,337	213,737
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	-	-
Transfers out	(165,000)	(165,000)	(165,000)	-
Total other financing sources (uses)	<u>(165,000)</u>	<u>(165,000)</u>	<u>(165,000)</u>	<u>-</u>
Net change in fund balances	-	(138,400)	75,337	213,737
Fund balances - beginning	1,402,261	1,402,261	1,402,261	-
Fund balances - ending	<u>\$ 1,402,261</u>	<u>\$ 1,263,861</u>	<u>\$ 1,477,598</u>	<u>\$ 213,737</u>

UNIFIED FIRE AUTHORITY REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN UFA'S TOTAL OPEB LIABILITY AND RELATED RATIOS
June 30, 2019

Total OPEB liability	2018
Beginning balance	\$ 3,393,508
Service cost	-
Interest	117,145
Changes of benefit terms	-
Differences between expected and actual exp	(374,557)
Change of assumptions or other inputs	222,522
Benefit payments	(314,899)
Net change in total OPEB liability	<u>\$ (349,789)</u>
Ending balance	<u>\$ 3,043,719</u>
 Covered-employee payroll	 N/A
Total OPEB liability as a percentage of covered-employee payroll	N/A

Notes to Schedule:

The table represents data available since the implementation of GASB Statement 75 and will increase to ten years over time.

Because all of UFA's OPEB participants are inactive (retired) members, there is no covered payroll associated with the plan.

Changes of benefit terms

No changes were made to participant benefits.

Changes of assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2019	3.13%
2018	3.62%
2017	3.56%

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Utah Retirement Systems
For the Years Ended

	Noncontrib- utory Retirement System	Public Safety System	Firefighters Retirement System	Tier 2 Public Employees Retirement System	Tier 2 Public Safety and Firefighter Retirement
December 31, 2018					
Proportion of the net pension liability (asset)	0.296771 %	0.103337 %	30.129190 %	0.055854 %	1.792058 %
Proportionate share of the net pension liability (asset)	\$ 2,185,337	\$ 265,843	\$ 12,176,773	\$ 23,921	\$ 44,901
Covered employee payroll	\$ 2,542,874	\$ 154,559	\$ 25,438,473	\$ 651,566	\$ 2,397,295
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	85.9 %	172.0 %	47.9 %	3.7 %	1.9 %
Plan fiduciary net position as a percentage of the total pension liability	87.0 %	84.7 %	96.1 %	90.8 %	95.6 %
December 31, 2017					
Proportion of the net pension liability (asset)	0.281594 %	0.099592 %	30.262730 %	0.048644 %	2.278416 %
Proportionate share of the net pension liability (asset)	\$ 1,233,747	\$ 156,226	\$ (6,788,998)	\$ 4,289	\$ (26,363)
Covered employee payroll	\$ 2,364,618	\$ 148,270	\$ 26,281,982	\$ 475,673	\$ 2,405,602
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	52.2 %	105.4 %	-25.8 %	0.9 %	-1.1 %
Plan fiduciary net position as a percentage of the total pension liability	91.9 %	90.2 %	102.3 %	97.4 %	103.0 %
December 31, 2016					
Proportion of the net pension liability (asset)	0.263211 %	0.097058 %	30.064901 %	0.050897 %	2.343604 %
Proportionate share of the net pension liability (asset)	\$ 1,690,136	\$ 196,958	\$ 4,447,122	\$ 5,678	\$ (20,344)
Covered employee payroll	\$ 2,337,782	\$ 141,938	\$ 26,880,461	\$ 417,396	\$ 1,936,343
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	72.3 %	138.8 %	16.5 %	1.4 %	-1.1 %
Plan fiduciary net position as a percentage of the total pension liability	87.3 %	86.5 %	98.4 %	95.1 %	103.6 %

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY (Continued)
Utah Retirement Systems
For the Years Ended**

	Noncontrib- utory Retirement System	Public Safety System	Firefighters Retirement System	Tier 2 Public Employees Retirement System	Tier 2 Public Safety and Firefighter Retirement
December 31, 2015					
Proportion of the net pension liability (asset)	0.266277 %	0.093959 %	30.411293 %	0.062906 %	2.534847 %
Proportionate share of the net pension liability (asset)	\$ 1,506,722	\$ 168,304	\$ 5,174,732	\$ (137)	\$ (37,051)
Covered employee payroll	\$ 2,339,319	\$ 214,998	\$ 26,540,703	\$ 406,336	\$ 1,507,543
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	64.4 %	78.3 %	19.5 %	0.0 %	-2.5 %
Plan fiduciary net position as a percentage of the total pension liability	87.8 %	87.1 %	98.1 %	100.2 %	110.7 %
December 31, 2014					
Proportion of the net pension liability (asset)	0.245985 %	0.093707 %	30.151651 %	0.067884 %	2.553639 %
Proportionate share of the net pension liability (asset)	\$ 1,067,967	\$ 117,844	\$ (3,318,119)	\$ (2,057)	\$ (37,777)
Covered employee payroll	\$ 2,234,498	\$ 213,277	\$ 26,038,716	\$ 333,348	\$ 1,057,046
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	47.8 %	55.3	-12.7 %	-0.6 %	-3.6 %
Plan fiduciary net position as a percentage of the total pension liability	90.2 %	90.5 %	101.3 %	103.5 %	120.5 %

* Table represents data available since implementation of GASB Statement 68 and will increase to ten years over time. Amounts presented were determined as of calendar year January 1 - December 31.

SCHEDULE OF CONTRIBUTIONS

Utah Retirement Systems

June 30, 2019

	As of Fiscal Year Ended June 30	Actuarial Determined Contributions	Contributions in Relation to Contractually Required Contribution	Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
Noncontributory System	2014	338,745	338,745	2,199,923	15.40%
	2015	380,302	380,302	2,251,699	16.89%
	2016	409,735	409,735	2,386,711	17.17%
	2017	419,022	419,022	2,313,368	18.11%
	2018	435,864	435,864	2,505,049	17.40%
	2019	448,531	448,531	2,446,070	18.34%
Public Safety System	2014	43,034	43,034	204,676	21.03%
	2015	48,188	48,188	213,112	22.61%
	2016	49,499	49,499	177,146	27.94%
	2017	51,795	51,795	145,044	35.71%
	2018	54,085	54,085	151,456	35.71%
	2019	58,788	58,788	164,627	35.71%
Firefighters System	2014	1,114,704	1,114,704	25,836,524	4.31%
	2015	1,674,942	1,674,942	26,268,788	6.38%
	2016	1,744,093	1,744,093	26,667,191	6.54%
	2017	1,728,540	1,728,540	26,864,103	6.43%
	2018	1,660,240	1,660,240	25,705,564	6.46%
	2019	1,784,621	1,784,621	25,305,754	7.05%
Tier 2 Public Employees System*	2014	35,970	35,970	257,114	13.99%
	2015	60,747	60,747	406,610	14.94%
	2016	61,734	61,734	414,045	14.91%
	2017	60,984	60,984	409,014	14.91%
	2018	84,831	84,831	561,424	15.11%
	2019	117,121	117,121	753,675	15.54%
Tier 2 Public Safety & Firefighter System	2014	714	714	647,726	0.11%
	2015	145,904	145,904	1,350,959	10.80%
	2016	180,905	180,905	1,680,947	10.76%
	2017	245,430	245,430	2,283,069	10.75%
	2018	251,864	251,864	2,336,349	10.78%
	2019	337,188	337,188	2,973,450	11.34%

SCHEDULE OF CONTRIBUTIONS (Continued)
Utah Retirement Systems
June 30, 2019

	As of Fiscal Year Ended June 30	Actuarial Determined Contributions	Contributions in Relation to Contractually Required Contribution	Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
Tier 2 Public Employees DC Only System*	2014	5,894	5,894	105,623	5.58%
	2015	8,781	8,781	130,663	6.72%
	2016	11,926	11,926	178,266	6.69%
	2017	13,566	13,566	202,778	6.69%
	2018	18,240	18,240	272,398	6.70%
	2019	18,348	18,348	274,263	6.69%
Tier 2 Public Safety & Firefighter DC Only System*	2014	-	-	-	0.00%
	2015	30	30	37,405	0.08%
	2016	149	149	186,320	0.08%
	2017	222	222	277,879	0.08%
	2018	404	404	505,351	0.08%
	2019	560	560	700,580	0.08%

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

Table represents data available since implementation of GASB Statement 68 and will increase to ten years over time. Amounts presented were determined as of calendar year January 1 - December 31.

UNIFIED FIRE AUTHORITY REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2019

NOTE 1 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Unified Fire Authority adopts an "appropriated budget" for the all of its funds. UFA is required to present the adopted and final amended budgeted revenue and expenditures for the General and Special Revenue funds. The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- During the month of April, the Finance Committee meets to review management's proposed budget.
- By the first regularly scheduled Board meeting in May, UFA presents a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. At this meeting, The Board of Trustees adopts a tentative budget.
- A meeting of the Board of Trustees is then called for the purpose of adopting the proposed budget after seven days public notice of the meeting has been given.
- Prior to June 22, the budget is legally enacted through a passage of a resolution by the Board of Trustees.
- Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end.
- Each budget is prepared and controlled by the Division Manager at the revenue expenditure function/object level. Budgeted amounts are as amended by the Board of Trustees.
- The budgets for all funds must be filed with the Utah State Auditor within 30 days of adoption.

Reconciliation from Budgetary Basis to GAAP Basis

The differences between budgetary basis and GAAP basis for the year ended June 30, 2019 are as follows:

	General Fund	Special Revenue Fund
Budgetary Fund Balances	\$ 12,916,278	\$ 1,477,598
Amounts reported for budgetary basis are different because:		
Encumbrances for goods and services not received until after the current fiscal year included as expenditures for budgetary purposes, not GAAP	273,436	116,970
Encumbrances for goods and services not received until after the prior fiscal year excluded as expenditures for budgetary purposes, not GAAP	(149,322)	(200,137)
Total Fund Balances	<u>\$ 13,040,392</u>	<u>\$ 1,394,431</u>

UNIFIED FIRE AUTHORITY REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2019

NOTE 1 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Budgetary Policies

The UFA Board approved a Budget Process policy outlining procedures for developing and approving an annual budget, budget monitoring and reporting, as well as budget amendments. The policy outlines the types of increases and transfers require certain levels of authorization, as shown below:

Budget Amendment Type	Fire Chief	Finance Committee	UFA Board
Increase to budget (new grants, use of fund balance, etc.)	None	Recommends to Board	Approves
Interfund transfers	None	Recommends to Board	Approves
Transfers between categories within the same division:			
Capital	\$0-\$25,000 allowed; Disclose to Finance Committee	\$25,000.01 - \$100,000 Finance Committee approves. Disclose to UFA Board	Above \$100,000 requires UFA Board approval
General & Administrative			
Operations			
Long-term debt	None	Recommends to Board	Approves
Personnel			
Transfers between divisions:			
Same Category	\$0-\$10,000 allowed; Disclose to Finance Committee	\$25,000.01 - \$100,000 Finance Committee approves. Disclose to UFA Board	Above \$100,000 requires UFA Board approval
Different category			

NOTE 2 - CHANGES IN ASSUMPTIONS

The assumptions and methods used to calculate the total pension liability remain unchanged from the prior year.

A firefighter wearing a rhinoceros mascot costume, including a red helmet with "CAPTAIN" written on it, stands next to a red fire truck. A young child in a red shirt and plaid shorts stands in front of the firefighter. The fire truck has "UFA" and "E911" on its front. The background is a bright, overexposed outdoor setting.

SUPPLEMENTARY INFORMATION

Supplemental Reports



KEDDINGTON & CHRISTENSEN, CPAS
CERTIFIED PUBLIC ACCOUNTANTS

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

**INDEPENDENT AUDITOR'S REPORT ON COMPLAINE AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY THE STATE COMPLIANCE AUDIT GUIDE**

Board of Trustees
Unified Fire Authority
Salt Lake City, Utah

REPORT ON COMPLIANCE

We have audited Unified Fire Authority's (UFA) compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor that could have a direct and material effect on UFA for the year ended June 30, 2019.

State compliance requirements were tested for the year ended June 30, 2019 in the following areas:

Budgetary Compliance
Utah Retirement Systems
Treasurer's Bond

Fund Balance
Open and Public Meetings Act
Cash Management

Management's Responsibility

Management is responsible for compliance with the general state requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on UFA's compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on UFA or its major state programs occurred. An audit includes examining, on a test basis, evidence about UFA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance of each state compliance requirement referred to above. However, our audit does not provide a legal determination of UFA's compliance with those requirements.

Opinion on General State Compliance Requirements

In our opinion, UFA complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of UFA is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered UFA's internal control over compliance with the state compliance requirements referred to above determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the

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Salt Lake City, Utah 84119

effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of UFA's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a general state or major state program compliance requirement on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a general state or major state program compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state or major state program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Keddington & Christensen, LLC

Salt Lake City, Utah

October 28, 2019



KEDDINGTON & CHRISTENSEN, CPAS
CERTIFIED PUBLIC ACCOUNTANTS

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Unified Fire Authority
Salt Lake City, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Unified Fire Authority (UFA) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the UFA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of UFA, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other schedules and notes as noted on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated October 28, 2019 on our consideration of Unified Fire Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of UFA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering UFA's internal control over financial reporting and compliance.

Keddington & Christensen, LLC

Salt Lake City, Utah

October 28, 2019

REVISED AND RESTATED INTERLOCAL COOPERATION AGREEMENT
BETWEEN PUBLIC ENTITIES TO CREATE AND GOVERN
THE UNIFIED FIRE AUTHORITY

This Revised and Restated Interlocal Cooperation Agreement (this “2019 Agreement”) is made and entered into as of the 1st day of December 2019, to be effective when all of the conditions identified in Paragraph 27 of this 2019 Agreement have been satisfied, by and between the UNIFIED FIRE SERVICE AREA, a local district and political subdivision of the state of Utah (the “Service Area”); SALT LAKE COUNTY, a body corporate and politic (“County”); the TOWN OF ALTA (“Alta”), COPPERTON METRO TOWNSHIP (“Copperton”), the city of COTTONWOOD HEIGHTS (“Cottonwood Heights”), EAGLE MOUNTAIN CITY (“Eagle Mountain”), EMIGRATION METRO TOWNSHIP (“Emigration”), HERRIMAN CITY (“Herriman”), the CITY OF HOLLADAY (“Holladay”), KEARNS METRO TOWNSHIP (“Kearns”), MAGNA METRO TOWNSHIP (“Magna”), MIDVALE CITY (“Midvale”), MILLCREEK (“Millcreek”), RIVERTON CITY (“Riverton”), TAYLORSVILLE CITY (“Taylorsville”), and WHITE CITY METRO TOWNSHIP (“White City”), all municipal corporations and political subdivisions of the State of Utah. All of the above may be referred to individually as a “Party” and collectively as the “Parties.” Alta, Cottonwood Heights, and Holladay may be referred to collectively at times as the “Contracting Entities.” The remaining Parties, excluding the Service Area, may be referred to collectively at times as the “Service Area Members.” The interlocal entity described herein is referred to as the UNIFIED FIRE AUTHORITY (the “Authority”) and will also be considered a Party to this 2019 Agreement.

RECITALS

A. Several of the Parties, as well as other entities no longer affiliated with the Authority, established the Authority via interlocal agreement effective January 1, 2004, which was also subsequently amended (the “2004 Agreement”).

B. The original membership of the Authority has changed over the course of its history, with the City of Draper exiting the Authority, the establishment of the Service Area as a taxing district for the purposes of funding the provision of services by the Authority to the Service Area Members, the incorporation of Millcreek and the metro townships (formerly a part of the unincorporated area of the County), and the annexation of a number of municipalities into the Service Area.

C. Throughout these changes and since its creation in 2004, the Authority has been a provider of fire suppression, emergency medical, and related services to its member municipalities and unincorporated Salt Lake County.

D. The Parties to this 2019 Agreement desire that the Authority continue to provide fire suppression, rescue services, emergency medical services, emergency protection, and related services to the Parties. The Parties believe that the depth of service provided by the Authority ensures that their communities are receiving consistent and high quality service.

E. Because of the significant changes in the membership of the Authority, as well as lessons learned since its creation in 2004, the Parties agree that a revised and restated interlocal agreement is the best means of setting forth the terms and conditions of the continued existence and governance of the Authority. This 2019 Agreement is therefore intended to, and does, revise

and replace, in its entirety, the 2004 Agreement establishing the Authority, including any amendments thereto.

F. Pursuant to the Interlocal Cooperation Act, Utah Code Ann. § 11-13-101 *et seq.* (the “Interlocal Cooperation Act”), the Parties, all of which are “public agencies” for the purposes of the Interlocal Cooperation Act, are authorized to enter into this 2019 Agreement and to thereby maintain an interlocal entity for the provision of fire suppression, rescue services, emergency medical services, emergency protection, and related services to the Parties.

G. The Parties desire to enter into this 2019 Agreement to affirm the creation of the Authority, refine the description of its membership, and revise the governance of, and terms and conditions of service by, the Authority.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises of the Parties and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Interlocal Entity.** Pursuant to the Interlocal Cooperation Act, the Parties agree to the continued existence of the Authority as a separate political subdivision and body politic and corporate of the state of Utah, as established pursuant the 2004 Agreement, subject to the revised and restated terms and condition found in this 2019 Agreement.
2. **Name.** The legal entity will continue to be known as the Unified Fire Authority.
3. **Summary of Scope of Services to be Provided by Authority.** The scope and type of services provided to the Parties by the Authority will be determined through the regular adoption and maintenance of a strategic plan and other policies of the Authority, adherence to standards of emergency response coverage, and the annual budget process as determined by the

Authority's Board of Directors (the "Board"). The following guidelines are intended to inform these processes for those geographical areas in which the Authority will directly provide services:

- a. The Authority will staff engines and trucks with three or more firefighters in a manner to maintain coverage and response reliability within each community.
 - b. In urban and suburban areas, a Party (or in conjunction with another Party or applicable building authority collectively established by Parties) will own or construct, and provide capital maintenance for, fire stations to be used by the Authority that facilitate a four-minute travel time within its built-upon area. The expectation will be for the Authority to maintain a service level that provides an Insurance Services Office ("ISO"), or similar successor rating agency, suppression rating of 3 or better.
 - c. In rural/interface areas that are not yet significantly built-upon (as designated and identified by the ISO), a Party (or in conjunction with another Party or applicable building authority collectively established by Parties) will own or construct, and provide capital maintenance for, fire stations to be used by the Authority, that will meet the requirements for an ISO suppression rating of 9 (3X) or better.
 - d. At the time of execution of this 2019 Agreement, the currently existing or planned stations are consistent with these guidelines.
4. **Baseline Services.** The following baseline services ("Baseline Services") are to be included in the member fee ("Member Fee") described in Paragraph 5. Additional Baseline Services to be included in the annual Member Fee must be approved by a two-thirds vote of the Board as part of its budgetary process. The Member Fee will constitute the payment mechanism

by which the Parties pay the Authority for the Baseline Services provided and will be established by the Board during the Authority's budget process:

- a. Service Delivery:
 - i. Fire Suppression.
 - ii. Advanced and Basic Life Support First Response and emergency transport.
 - iii. Fire Prevention, including Fire Code review and enforcement.
 - iv. Fire / Arson Investigation and Bomb Squad.
 - v. Public Information and Community Events.
 - vi. Special Operations: hazardous materials, heavy rescue, search and rescue, and surface water rescue.
 - b. Support Services. Support services such as administration, finance, legal, human resources, information technology, medical, training, and logistics necessary for the delivery of the services stated above.
 - c. Capital Purchasing. Timely payment of all debt obligations incurred in capital purchasing and replacement of apparatus and equipment necessary for the delivery of the services stated above.
5. **Member Fee**. Fees and costs for services attributable to the Member Fee will be transparently disclosed and stated with reasonable specificity in each annual budget adopted by the Board. The Board will adopt policies that allow for the guidance and development of the budget. Parties will be provided reasonable notice prior to any significant change in the level of services or reallocation of the Authority's resources

compared to the prior fiscal year. Each Contracting Entity will be charged an individual Member Fee and the Service Area will be charged one Member Fee for all of the Service Area Members. Service Area Members will not be charged an individual Member Fee.

6. **County-wide Fire and Emergency Services.** The County (not the other Parties) ~~will~~ may ~~may~~ will budget funds from its County-wide fund to provide county-wide services (“County-wide Services”). Funding for County-wide Services will be separate from fees and other funding agreements provided under this 2019 Agreement. The Authority will prepare a budget request for the County in such form and follow such timelines and procedures as regularly established by the County. The nature and level of County-wide Services provided by the Authority will be in accordance with the funding budgeted by the County. County-wide Services will be integrated into the command structure and organization of the Authority and include the following:
- a. Emergency Operation Center and Emergency Planning. Providing emergency services including grant administration; preparing, drafting and reviewing emergency operation plans for County-wide emergency services in accordance with requirements of federal and state statutes and for use by other government agencies in times of disaster or other emergencies; and providing local emergency planning committee services.
 - b. Recreation Area Services. Providing fire and emergency medical protection services to areas designated as recreational areas pursuant to Utah Code Ann. §17-34-101, et. seq., or any similar successor provision.
 - c. Additional County-wide Services. Additional County-wide Services may be established by separate agreement between the Authority and the County

without the need to amend this 2019 Agreement.

7. **Enhanced Services.** A Party may individually enhance the level of Baseline Services provided by the Authority to that Party at an additional cost. The enhancement, cost, and start date of the new enhanced service (“Enhanced Services”) are subject to pre-approval by the Board. The additional fee for Enhanced Services will accrue as of the date such services begin and be due and payable as part of that Party’s Member Fee as provided for in this 2019 Agreement or, in the case of a Party that is part of the Service Area, a separate Enhanced Services Fee paid separately to UFA by the Party receiving such services.

8. **External Contract Services.** By separate agreements, other agencies may receive and separately fund services. The Board must approve the extension of external contract services. Examples of current external contracts services being provided include:

- a. Urban Search & Rescue program funded by FEMA grants.
- b. Camp Williams Fire Management Officer and suppression funded by the Utah National Guard.
- c. Utah Data Center protection funded by the Utah Military Installation Development Authority.
- d. The JATC fire school program funded by the Jordan School District.

9. **Governance and Administration of Authority.** The Authority’s governing body is its Board, which is comprised of representatives of the Parties served by the Authority (each of which is a “Board Member”). Although the Service Area is a Party to this 2019 Agreement, its role is to act as a taxing district to pay for the Authority’s services for the benefit of its members, and will therefore not have any separate, direct representation on the Board beyond its individual members’ participation on the Board.

a. Board of Directors.

- i. Each city and metro township to which the Authority provides services will receive a position on the Board, regardless of whether they are a Contracting Entity or Service Area Member.
- ii. The County will receive two positions on the Board. One Board Member will be ~~appointed by~~ the County Mayor, or a Deputy Mayor as designated by the County Mayor, and one Board Member will be appointed ~~by from~~ the County Council.
- iii. Except for the County as provided for ~~in subparagraph a(ii) the County,~~ each Board Member must at all times be an elected official of the Party and either a mayor or councilmember of the municipality's governing body. The County may select a Deputy Mayor as a Board Member ^{[A2][A3]}.
- iv. A Party may designate, on an annual basis, an "alternate" Board Member (who must still qualify under subsections a.ii and a.iii above and be designated in writing to the Authority), to attend and fully participate, including voting, in Board meetings on behalf of the Party if the ~~that Party's~~ designated regular Board Member is unable to attend due to emergency circumstances. Board Members are encouraged to appear remotely via phone or video if they are unable to attend in person before utilizing this option and to provide as much notice as possible to staff that the alternate will be attending. ^{[A4][A5]}
- v. Board Members will serve indefinitely at the pleasure of the appointing entity. Any appointment or removal of a Board Member will be

accompanied by a letter or resolution of appointment from the applicable Party notifying the Authority of such action.

- vi. Board meetings, and all actions taken thereby, will require a quorum be present and will operate in compliance with the Open and Public Meetings Act (Utah Code Ann. §52-4-101, et. seq.), or successor applicable open meetings law.
- vii. Matters related to the operation of the Board, such as meeting times, the conduct of meetings, chair and vice-chair appointments, etc. will be established and adopted by the Board as written policies and procedures.
- viii. Recognizing the significant time commitment in Board participation, Board Members may, at the discretion of the Board, receive an annual stipend in an amount to be determined by the Board pursuant to the annual budget process for their participation on the Board. While not specifically applicable to the Authority, the Board will comply with the requirements of Utah Code Ann. §10-3-818, or similar successor statutory provision, for any instigation or increase in said stipend. Nothing in this Agreement will prevent an individual Party from compensating, in its discretion, its representative Board Member directly for time spent on Authority matters.

b. Voting.

- i. For all matters related to the governance of the Authority, each Board Member will be entitled to one vote on the Board and matters, unless otherwise specifically stated herein, will be passed by a vote of at least a majority of the Board at a duly noticed meeting; i.e., the affirmative vote

of at least a majority of all Board Members rather than a majority of a quorum of the Board Members present at the particular meeting.

~~ii. In regards to any proposed vote of the Board, to be taken pursuant to subsection (b)(i) above, to adopt a fiscal year's tentative or final budget, or to adopt any budget amendment, any two Board Members representing separate Parties may call for a "weighted vote," at which time, after an opportunity for discussion and deliberation by the Board, a vote will be taken on such issue based upon a weighted voting system with the weight of each Board Member's vote being determined by the ratio of its population to the total population of the communities served by the Authority, using the most recently available census data, as updated by the Kem C. Gardner Policy Institute or other agency subsequently designated by the State of Utah for population estimates. The County's population-based vote will be limited to the population of the unincorporated areas of the County with one-half of that total population being allocated to each of the County's Board Members. When weighted voting is requested under this paragraph, approval of the budget or amendment will pass with an affirmative vote of the majority of the weighted vote, i.e. a vote that exceeds fifty percent of the total weighted vote of all Board Members rather than a majority of a quorum of the Board Members present at the particular meeting.~~

ii. ~~[Alternative Sub-Paragraph ii]~~ In regards to any proposed vote of the Board, to be taken pursuant to subsection (b)(i) above, to adopt a fiscal year's tentative or final budget, or to adopt any budget amendment, any two Board Members representing separate Parties may call for a "weighted vote," at which time, after an opportunity for discussion and deliberation by the Board, a vote will be taken on such issue based upon a weighted voting system with the weight of each Board Member's vote being determined as follows:

1. A "Member Fee Percentage" will be calculated by computing the percentage each Party is paying for the Authority's services in comparison to the total of all Member Fees (Member Fees for this calculation do not include payments for County-wide services provided for in Paragraph 6). UFSA will not be considered a Party for this calculation as its Member Fee in comparison to the total of all Member Fees will be allocated among its member entities in proportion to each Party's taxable value for that fiscal year as calculated by the Utah State Tax Commission.
2. A "Population Percentage" will be calculated by comparing a Party's population to the total population of the communities served by the Authority, using the most recently available census data, as updated by the Kem C. Gardner Policy Institute or other agency subsequently designated by the State of Utah for population estimates.

3. Each Party's Member Fee Percentage and its Population Percentage will then be averaged (i.e. 50 percent allocation by Member Fee Percentage and 50% by Population Percentage) to create the final "Weighted Voting Percentage" for that Party.
4. The County's Weighted Voting Percentage will be divided and allocated equally to each of the County's Board Members for the purposes of a weighted vote. In no event will the total percentage of weighted voting allocated to the County Board Members exceed the County's Weighted Voting Percentage.
5. An example of this calculation as it would occur as of October 1, 2019 is attached hereto as Exhibit "B" with the calculation of the Member Fee Percentage shown in Table 1, the Population Percentage shown in Table 2, and the Weighted Voting Percentage shown in Table 3.
6. When weighted voting is requested under this paragraph, approval of the budget or amendment will pass with an affirmative vote of the majority of the weighted vote, i.e. a vote that exceeds fifty percent of the total weighted vote of all Board Members rather than a majority of a quorum of the Board Members present at the particular meeting.

iii.

c. Executive Staff:

- i. The Board will directly supervise, appoint, and be responsible for removing if necessary the Fire Chief/CEO of the Authority. The Board will negotiate, approve, and execute a written employment agreement with the Fire Chief/CEO setting forth the terms and conditions of employment.
 - ii. The Board will directly supervise, appoint, and be responsible for removing if necessary the Chief Legal Officer of the Authority. The Board will negotiate, approve, and execute a written employment agreement with the Chief Legal Officer setting forth the terms and conditions of employment.
 - iii. The Fire Chief will supervise the Chief Financial Officer of the Authority, but will require ratification of the Board for any appointment or removal of an individual to the position of Chief Financial Officer.
 - iv. The Merit System Coordinator, as described in Exhibit A to this 2019 Agreement, will operate pursuant to policies established by the Board and will report to the Board on matters related to the Authority's Fire Merit System. Upon request of the Board, the Fire Chief will make a nomination or, at the request of the Board, nominations of a candidate or candidates for the position of Merit System Coordinator and the Board will appoint a person to the position.
 - v. All other employees will be supervised by the Fire Chief pursuant to policies adopted by the Authority and Exhibit A to this 2019 Agreement.
- d. Policies. The Board will adopt a set of Board Policies that will broadly govern and set the expectations for the operation of the Authority. These Board Policies

will inform and direct a set of operational policies created and adopted by the Fire Chief/CEO in consultation with the CLO and Command Staff.

10. **Non-Station Facilities.**

- a. **Other Facilities.** If the Authority wishes to construct an additional public safety facility, such as a facility for administration, logistics, training, etc., the Board will equitably apportion the cost to construct or remodel any such public safety facility that is used to provide the Baseline Services to the Parties similar to the apportionment of the Member Fee for Baseline Services. If the benefit of such facility specifically inures to one or more Parties to the exclusion of others, the Board may apportion the cost of such facility to the benefiting Party or Parties to be paid as an addition to the Member Fee (in the case of a Party who is part of the Service Area as a separate fee similar to one charged for Enhanced Services) or by the application of a Party's collected impact fees.
- b. **Transition of Stations.** Should the Authority decide to discontinue its use of a fire station as an emergency response facility, but the Authority and the owning Party agree that the Authority may continue to use it for another purpose in support of its provision of services, the Authority will assume the capital maintenance responsibility for such facility and will occupy it with an annual lease payment of \$1.00 to the owning Party.

11. **2004 Equipment.** The 2004 Agreement provided a specific description of equipment conveyed to the Authority by the Parties then forming the Authority. The time elapsed since the 2004 Agreement means that all or nearly all of the equipment conveyed has been cycled through, merged with other equipment, or used to the end of its useful life. The

Authority represents that any such equipment detailed in the 2004 Agreement is no longer of any value or has been so incorporated into the Authority inventory that it no longer represents identifiable items of separate property. The Parties therefore agree to disclaim any rights to return of property found in the 2004 Agreement and agree that disposition of any equipment to members upon dissolution or withdrawal will be accomplished according to the provisions of this 2019 Agreement.

12. **Employees.** The Parties (excluding the Authority) agree that ~~the~~ no Party will have any fiscal obligation or liability for the payment of salary, wages, benefits, or other compensation of employees of the Authority beyond the assessment of the Member Fee.

13. **Merit System.** The Parties agree that the Authority will operate with a Merit System for sworn fire-fighter employees as provided for in Exhibit A and any policies duly adopted to be consistent therewith and general merit principles.

14. **Reports, Audits, and Performance Measures.**

- a. The Authority will be subject to Utah Code § 11-13-501 et seq., or successor provision, for accounting, reporting, budgeting, and auditing requirements, as modified and enhanced as determined by the Board. The functions of budget officer, treasurer, or any other defined function with respect to the Authority will be determined by policies and procedures adopted by the Board. The budgeting cycle for the Authority will be via a fiscal year beginning July 1 and ending June 30 of the succeeding year.
- b. To ensure transparency, the Authority will prepare a financial report as part of the annual budgeting process and receive an annual audit report. Such reports will be both posted online and available upon request.

- c. The Authority will also keep records and statistics related to the performance of its services and will, from time to time, prepare reports summarizing performance.

The Board or any individual Party may make a request for the creation of such a report at any time and Authority will use its best efforts to prepare such a report in a timely manner.

15. **Indemnification.** The services the Authority provides are governmental functions and the Parties are all governmental entities under the “Governmental Immunity Act of Utah” (Utah Code § 63G-7-101, et seq.), or successor provision (the “Immunity Act”). The Parties do not waive any immunities, rights, or defenses available under the Immunity Act, nor does any Party waive any limits of liability provided by the Immunity Act. Consistent with the terms of the Immunity Act, and as provided herein, it is mutually agreed that each Party is responsible and liable for its own wrongful or negligent acts which are committed by it or by its agents, officials, or employees. Each Party agrees to defend, indemnify, save and hold harmless ~~the~~ Authority or ~~the~~ any other Party (including its elected and appointed officers and employees) from and against demands, claims, actions and/or proceedings, in law or equity (including reasonable attorney’s fees and costs of suit) relating to or arising from actions of that Member’s elected and appointed officers or employees or the Authority’s enforcement of any ordinances of that Party that is alleged to be unconstitutional or illegal.

16. **Term.** This 2019 Agreement will be effective as of the date it is fully approved and executed by the Parties and, unless terminated as provided for herein, will be in effect for a term of twenty-five years. The Parties agree that every five years this 2019 Agreement will be brought before for the Board for review and discussion to determine if revisions are necessary to

better accomplish its goals given any changes in circumstances or law that have occurred over the preceding years.

17. **Withdrawal.**

- a. **Cooperation.** If a Party wishes to withdraw from the Authority and the terms and conditions of this 2019 Agreement, the Parties agree to work cooperatively in such a manner as to minimize the harm to any Party and the public safety of the citizens of all Parties. The Authority will respect the desire and decision of the withdrawing Party, and the withdrawing Party will respect the need for and allow the necessary planning to ensure a withdrawal will result in the minimum impact reasonably possible on the Authority and remaining Parties.
- b. **Requirements.**
 - i. Due to the complexities of the operation of the Authority and the significant impact a withdrawal may have on the other Parties, a Party must provide at least twelve months' advance notice as to the date it wishes to withdraw from the Authority. Those twelve months will run from the date the UFA Fire Chief and CLO receive a written notice of withdrawal from the withdrawing Party. The Parties acknowledge that the annual Member Fees paid to the Authority do not constitute the establishment of a debt for any Party and will be paid as services are provided. Furthermore, the Parties acknowledge that the inclusion of a twelve months' withdrawal period renders this 2019 Agreement one of reasonable duration.

- ii. The twelve month notice requirement for withdrawal may be shortened upon mutual agreement between the withdrawing Party and the Authority, if approved by the Board.
- iii. Upon providing notice of its intent to withdraw, the withdrawing Party's Board Member must, if applicable, relinquish his or her position as Board Chair/Vice-Chair and any committee Chair. The Board Member will also be automatically recused from matters directly affecting the withdrawal process. Such recusal will only extend to voting on matters related to the withdrawal process and the withdrawing Party's Board Member will have the right to participate in Board discussions and debates related to such issues. However, a withdrawing Party's Board Member may be excluded from any closed sessions, properly held pursuant to the Utah Open and Public Meetings Act, to discuss matters related to the withdrawal of that Party. If a withdrawing Party revokes its intent to withdraw, its Board and Committee positions will be reinstated.
- iv. The Parties and the Authority agree that if a Party withdraws and subsequently forms or participates in a new fire department with other Parties, that the Authority and withdrawing Party will, in good faith, negotiate or join existing relevant mutual and automatic aid agreements covering both the Authority and withdrawing Party, subject to approval of the withdrawing Party's governing body.

- v. Upon receiving a notice of intent to withdrawal, the Parties will begin the withdrawal process by creating a withdrawal plan that will comply with the general principles provided for in this Paragraph 17.

c. Disposition of Stations or Equipment.

- i. Station Lease. The Authority will cease using the stations owned by the withdrawing Party upon the effective date of the Party's withdrawal. The withdrawing Party, or other station owner, will receive the station in an as-is condition as of the effective date of the withdrawal. If the withdrawing Party is not the owner of the station at the time of withdrawal and it wishes to use the station after withdrawal, the withdrawing Party will be responsible for coordinating such use with the station's owner. The Authority will use its best efforts to maintain the station in its condition from the date of the notice to the date of withdrawal, but will not be responsible for any normal wear and tear during the withdrawal period, nor for any deterioration or destruction of the station outside of its control.
- ii. Improvements. If the Authority has constructed or incorporated improvements or fixtures into the real property of the stations that cannot be removed without destroying the improvement's value, the withdrawing party will reimburse the Authority for the depreciated value of the improvements at the time of withdrawal using a ten year straight line depreciation period with no residual.
- iii. Station Inventory. The Authority and the withdrawing Party will meet and confer to create a property disposition plan to account for supplies and

equipment located in the stations serving the withdrawing Party that are to be vacated by the Authority. This plan will contain an inventory of any items for which the withdrawing Party can specifically prove ownership. The withdrawing Party will be entitled to retain only such inventoried items upon withdrawal. All other supplies or equipment used or installed by the Authority during its normal operations and procurement will not be included in this inventory and will be retained by the Authority or sold to the withdrawing Party pursuant to the terms of this 2019 Agreement.

- iv. Apparatus and Equipment. If the withdrawing Party has transferred apparatus or equipment to the Authority and such apparatus or equipment has not been cycled through to the end of its usable life or inseparably incorporated in the Authority's inventory, those units will be returned to the withdrawing Party. All apparatus and equipment purchased through the Authority's capital replacement plan is owned by the Authority.
- v. Debt Obligation. Although the withdrawing Party will not be obligated to continue its portion of the payment for any debt of the Authority related to the acquisition of apparatus and equipment, however, the withdrawing Party will not have any property right to any such apparatus and equipment in the stations serving the withdrawing Party except as provided for above.
- vi. Sale of Apparatus or Equipment. Unless it determines doing so will cause harm to the remaining Parties, the Authority will offer to sell engines, trucks, ambulances, and/or other equipment (each "a unit") assigned to the

stations serving the withdrawing Party at full retail price-market value (i.e. the retail price the unit would cost in an arms-length transaction given its age and condition at the time of purchase by the withdrawing Party) as determined by a mutually agreed-upon third party appraisal (hereinafter “FMV”). The withdrawing Party is not obligated to make such a purchase.

1. Any units that were purchased as part of a current, outstanding loan or lease to the Authority will be retained by the Authority. A withdrawing Party may acquire such a unit if the withdrawing Party is able to assume full financial responsibility of the underlying obligation and obtain a full release of the Authority’s obligation to maintain ownership of the unit as collateral for any loan, lease, or other transaction. Such an assumption of liability and release will be subject to agreement with the Authority, including the potential payment of consideration to the Authority to account for any equitable value of the asset (i.e. payment of FMV less the assumed obligation) or the obligation being paid and released through the Authority (i.e. payment of FMV and receipt of the unit without any attached debt obligation), and will only be considered if such a transaction does not adversely affect the Authority’s operations or the financing of the Authority’s other assets. The Authority may also substitute another unit as appropriate.

2. If the withdrawing Party wishes to acquire additional apparatus and equipment units beyond that serving the withdrawing Party, the Authority, at its option, may offer additional apparatus or equipment at ~~fair market value price~~ FMV.

- d. Personnel. If the withdrawing Party plans upon withdrawal to start its own department or expand a previously existing department with others, the withdrawing Party agrees to provide (or to encourage, in good faith, the existing department it is joining to provide) an employee selection process exclusively for interested, existing staff of the Authority prior to engaging in an open and public recruitment for staffing.
- i. This process does not include recruitment for Fire Chief or other and executive level positions.
 - ii. The withdrawing Party is not obligated to hire those who apply during this process, merely to give existing staff of the Authority the first opportunity to potentially fill the prospective new positions.
 - iii. The withdrawing Party agrees that employees of the Authority that are hired by the withdrawing Party will have the option to either: 1) receive a payout of their Authority vacation balance directly from the Authority on the employee's date of separation pursuant to the Authority's then existing policy; or 2) transfer of their vacation hours to their new position with the withdrawing Party. In the event of a transfer and acceptance of vacation hours, the Authority will pay to the withdrawing Party the value of the

vacation hours at the employee's wage rate as of the employee's last day with the Authority.

- iv. Sick leave balances of employees hired by the withdrawing Party will not be transferred and will be handled pursuant to internal policy and procedure of the Authority.
 - v. Retirements contributions by the Authority for the any employee leaving the Authority and starting work with a withdrawing Party will cease upon the employee's last day with the Authority.
 - vi. The Authority will allow any fire fighter leaving the Authority and moving to the withdrawing Party to take their existing, issued personal protective equipment ("PPE") with them to their new employment with the withdrawing Party. The ownership of the PPE will be transferred to the withdrawing Party at no cost.
- e. Licenses. The Authority will work in good faith with the withdrawing Party to secure or transfer the necessary licenses or contractual arrangements for the provision of emergency ground transportation.

18. **Admission of New Parties**. The Parties anticipate that during the term of this 2019 Agreement additional governmental entities may wish to join the Authority and be bound to the terms and conditions of this 2019 Agreement. The process and requirements for becoming an additional Party to this Agreement and member of the Authority will apply equally to the addition of a new Contracting Entity to the Authority and to the addition of a municipality to the Service Area. The process and requirements should occur prior to the statutory process required for such admission of a municipality to the Service Area, and any entity that approaches the

UFSA Board or a UFSA Board Member about joining the UFSA will be directed to speak first to the UFA Chair and/or the Fire Chief ~~first~~. Admission of an additional Party will be pursuant to the following process and conditions:

- a. The Fire Chief will advise the Board Chair of any expressed interest in joining the Authority of which the Fire Chief becomes aware, and the Board Chair will advise the Fire Chief of any expressed interest in joining the Authority of which the Board Chair becomes aware. The Fire Chief and Board Chair will then have the authority to hold initial, non-public discussions with any municipality or other entity expressing interest in joining the Authority to gauge feasibility or level of interest in joining. However, neither the Fire Chief nor the Board Chair is authorized to discuss the potential of an entity joining the Authority in a public setting without prior notice to and permission from the Board. Further, neither the Fire Chief nor the Board Chair may make any agreements with the potential new member concerning joining the Authority without complying with the requirements of this Paragraph 18.
- b. Under the direction of the Board, the Authority's staff will conduct a feasibility study to evaluate the potential addition of the new member. In conducting the feasibility study under this section, the study should include the following (provided that these guidelines are subject to revision by the Board in subsequent Board Policy without the need to amend this 2019 Agreement):
 - i. Population and population density within the proposed municipality;

- ii. Current and five-year projections of demographics and economic base in the proposed municipality, including household size and income, commercial and industrial development, and public facilities;
- iii. Projected growth in the proposed municipality during the next five years;
- iv. The present and five-year projections of the cost, including overhead, of providing the Baseline Services in the proposed municipality as is provided by the Authority in similar municipalities;
- v. The number, classification, and cost of wages, salaries, and benefits of any line and staff employees that the proposed municipality desires the Authority to absorb as part of joining the Authority assuming that:
 - 1. The Authority will agree to accept all fire personnel assigned to engines, trucks, and ambulances;
 - 2. The Authority will have the option to consider employment of Chief Officers or other staff;
 - 3. Employees transferred to the Authority will transfer with:
 - a. Wages normalized to the Authority pay structure except that if an employee's existing wage is higher, the employee wage will be frozen until the wage is normalized with the Authority wage schedule;
 - b. Seniority equal to years of full time career experience with the joining municipality on last day of employment with the joining municipality;

- c. Vacation leave balance on last day of employment with a calculation of the total liability for vacation accrual that will be paid for by the joining municipality;
 - d. Sick ~~L~~leave balance on last day of employment (if hours exceed existing Authority cap, cost for municipality to buy down the employee's sick leave prior to transferring to the Authority).
- vi. The location, condition, and value of the physical assets necessary to provide services in the joining municipality that would be transferred to the Authority by the municipality including in the study the feasibility of:
 - 1. A Contracting Entity retaining ownership of the fire stations and being responsible for capital maintenance, or a Service Area Member transferring station ownership and responsibility for capital maintenance to the Service Area.
 - 2. Transferring necessary assets, such as apparatus, equipment, PPE, station supplies, etc. to the Authority to provide the services to the joining municipality.
- vii. An assessment of the debts, liabilities, and obligations of the joining municipality that may be necessary for the Authority to acquire in order to provide the services to the joining municipality.
- viii. The fiscal impact that the joining municipality's addition has on other Parties by the Authority, including any Member Fee changes that may become necessary to maintain existing levels of service for current Parties.

- ix. The impact of adding the municipality to the Authority service area on the Insurance Service Office (ISO) Fire Insurance Community Grading currently held by the Authority.
 - x. Any other factor that staff considers relevant to the question of admitting a new municipality to the Authority.
- c. A joining municipality, depending upon the circumstances and the equities involved in its joining the Authority, may be subject to a separate agreement that may contain a minimum period of membership that will be negotiated based on the review of the circumstances, including the assets and liabilities the municipality will be transferring to the Authority
- d. Approval of a new municipality as either a Contracting Entity or as a new member of the Service Area would require a two-thirds affirmative vote of the Authority's Board at a duly noticed meeting (i.e., the affirmative vote of at least two-thirds of all Board Members rather than two-thirds of a quorum of the Board Members present at the particular meeting) and the new member agreeing to sign as a Party to this 2019 Agreement.
- e. After approval by the Board just described, an entity desiring to join the Authority by joining the Service Area (as opposed to becoming a Contracting Entity), must file a resolution to initiate the Annexation procedures set forth in Title 17B, Chapter 1, Part 4 of the Utah Code. As this process is statutory in nature, a successful annexation cannot be guaranteed. For instance, the annexation statute allows for a certain number of citizen protests to halt an annexation, or to force an election on the matter.

- f. The incorporation of a previously unincorporated area, served by the Authority and located within the Service Area, as a new municipality that remains in the Service Area will not be considered an admission of a “new” Party under this Paragraph. Such municipality will receive a position on the Board as described in Paragraph 9.
 - g. A municipality leaving the Service Area to become a Contracting Entity will not be considered a “new” Party, but will be subject to the Member Fee system and calculation for contracting parties as adopted in the current budget.
19. **Coverage Area.** The coverage area of the Authority may increase or otherwise be affected by annexations, disconnections, consolidations, boundary adjustments and/or dissolutions related to the individual Parties. The Parties agree to notify the Authority, in advance, of any such changes to the coverage area. If such a change is significant enough to materially affect the response time or other operational issues, the Parties agree that a change to the Member Fee may be warranted and that such change may be brought to the Board for approval outside of the annual budgetary process.
20. **Service Area.** The Service Area Members are each individual municipalities and are served by the Authority. Each Service Area Member is therefore a separate and independent Party under the terms of this 2019 Agreement and enjoys the rights and remedies provided for herein. In the event of a split in position or controversy between or among the Service Area Members, those Parties agree that such will be resolved within the context of the membership and governance of the Service Area and the provisions of this 2019 Agreement will not be used to frustrate the Service Area’s purposes or otherwise harm the operations of the Authority in providing services to the citizens of the Parties. Similarly, the Authority will assist to the degree

reasonably possible any Party wishing to switch from a Contracting Entity to a Service Area Member, or vice versa, to accomplish that Party's goal without discrimination or harm to any other Party. An alteration in the composition of the Service Area that does not increase the extent of the Authority's services to another geographic area needs only to be accompanied by a written acknowledgement reflecting such composition without any need to undergo the amendment process provided for in Paragraph 25. For example, if an unincorporated area that is part of the Service Area incorporates into a municipality or a metro township incorporates into a city, and such new entity remains in the Service Area such that Authority services will continue, no amendment is necessary and the new entity may simply sign an acknowledgement to be bound by the terms of this 2019 Agreement as a Party in its newly established form. It will then be considered, in its new form, as a Party to this 2019 Agreement without the need for further action by the other Parties

21. **Remittance.** Each Party will prospectively remit the payments required to the Authority by this 2019 Agreement, such as the Member Fee established each annual budget year or any other required payments, on a quarterly basis and on the first day of each calendar quarter. Upon agreement between the Authority and a Party, a Party may also pay prospectively amounts due at shorter intervals, such as monthly, so long as the arrangement is agreed upon in advance and in writing.

22. **Breach or Failure to Pay.**

- a. A failure to timely pay the Member Fee or other payment due to the Authority will be considered an immediate and material breach of this 2019 Agreement. Upon such failure to pay, the Authority will notify the breaching Party of the alleged breach and provide thirty days for the breaching Party to remedy the

alleged breach. Authority will continue to provide the services provided for in this 2019 Agreement in light of the public safety impacts a cessation of services would cause, however, failure to remedy the alleged breach after thirty days will result in the Authority being allowed to declare a default of this 2019 Agreement. Upon declaration of default, the Authority may seek all remedies available at law or equity (including the judicial remedy of injunctive relief to require the continued payment for services being provided), and the declaration of default will be deemed to constitute an involuntary Notice of Withdrawal to begin the process provided for in Paragraph 17 for the breaching Party.

- b. Upon a material breach of this 2019 Agreement by a Party not involving a failure to pay an amount due, the non-breaching Party or Parties will notify the breaching Party of the alleged breach and provide 30 days to remedy the alleged breach. If the breaching Party fails to remedy the alleged breach, the non-breaching Party or Parties may declare a Default of this 2019 Agreement and seek appropriate remedies in law or equity.

23. **Termination.** Due to the nature of the services being provided and the structure of the Authority, this 2019 Agreement cannot be terminated in its entirety except by the expiration of its term, by the mutual agreement of all Parties that the Authority should be dissolved as an interlocal entity, or by any other method now or hereafter provided in the Interlocal Cooperation Act, Utah Code Ann. §11-13-101 et.seq. The Agreement may be terminated as to an individual Party pursuant to the withdrawal process provided for Paragraph 17. Upon withdrawal this 2019 Agreement will be terminated with respect to the withdrawing

Party, but any remaining payment obligations remaining after withdrawal and all the provision of Paragraph 15 (Indemnification) will survive the termination with respect to said Party.

24. **Dissolution.** The Authority may be dissolved and operations terminated upon the unanimous written consent of all Parties to this 2019 Agreement at the time of dissolution. Upon dissolution, all leases will terminate, all assets actually contributed by a Party still identifiable as separate property with a right of return will be returned to such Party and any remaining assets (whether real property or personal property) of the Authority will be distributed based on a fraction, the numerator of which is the aggregate amount of Member Fees paid by a Party and the denominator of which is the aggregate amount of Member Fees paid by all of the Parties to the Authority for services. Any unpaid liabilities of the Authority will be paid by the Parties based on the same fraction. Such liability will be a joint liability.

25. **Amendment.** This 2019 Agreement may not be amended except by written instrument signed by all Parties. Amendments will be approved as follows:

- a. Amendments may be proposed to the Board by any Party or staff of the Authority.
- b. The Board shall consider the proposed amendment and may only approve the advancement of the proposed amendment for review by the Parties by a vote of at least two-thirds of the Board present at a duly noticed meeting; i.e., the affirmative vote of at least two-thirds of all Board Members rather than two-thirds of a quorum of the Board Members present at the particular meeting.
- c. Upon advancement, each Party (not including the Authority or the Service Area) must present the proposed amendment to their appropriate legislative bodies for review and consideration.

- d. Each Party (not including the Authority or the Service Area) will have sixty days to review the proposed amendment with its executive officers and legislative body and either provide notice of acceptance of the proposed amendment or suggest alternatives to be considered by the Board.
- e. Subsequent to this legislative review, the Board may approve a final amendment only by a vote of at least two-thirds of the Board at a duly noticed meeting; i.e. the affirmative vote of at least two-thirds of all Board Members rather than two-thirds of a quorum of the Board Members present at the particular meeting.
- f. Upon approval by the Board pursuant to this Paragraph, all Parties must agree to the final Amendment via a written document amending this 2019 Agreement within ~~thirty-sixty~~ days^[A8]. Failure to agree to the approved Amendment will constitute an involuntary Notice to Withdraw pursuant to Paragraph 17.

26. **Notices.** All notices, requests, demands, and other communications hereunder will be in writing and given to any Party by delivering a copy, via U.S. Mail, to the Mayor (or if applicable to the form of government, the Council Chair or City Manager) of any municipal or County Party, sent to that Party's official governmental office address, with a copy also sent to the same official office and addressed to "City/County Attorney or Chief Counsel." For the Authority or Service Area, notices should be sent to the following:

If to Authority: Unified Fire Authority
 Office of the Fire Chief
 3380 South 900 West
 Salt Lake City, UT 84119

With a copy to: Unified Fire Authority
 Chief Legal Officer
 3380 South 900 West
 Salt Lake City, UT 84119

If to Service Area: Unified Fire Service Area
Office of the Administrator
3380 South 900 West
Salt Lake City, UT 84119

With a copy to: Fabian VanCott
Attn: Rachel Anderson
215 South State Street, Suite 1200
Salt Lake City, UT 84111
randerson@fabianvancott.com

27. **Interlocal Cooperation Act.** The Parties enter into this 2019 Agreement pursuant to the Interlocal Cooperation Act. For the purpose of satisfying specific requirements of the Interlocal Cooperation Act, the Parties agree as follows:

- a. This 2019 Agreement maintains and affirms the creation of the separate interlocal entity known as the “Unified Fire Authority” that will operate using its own budget, may acquire real or personal property and may take any other act authorized by Utah law.
- b. The Authority will be governed by its Board and according to the provisions of this 2019 Agreement.
- c. Because this 2019 Agreement cannot take effect until it has met the requirements of the Interlocal Cooperation Act, each Party agrees by its signature that this 2019 ~~a~~Agreement has been presented and approved by that Party’s legislative body by a resolution or ordinance that is in compliance with Utah Code Ann. § 11-13-202.5(2) and been submitted and approved by the attorney authorized to represent the Party in compliance with Utah Code- Ann. § 11-13-202.5(3). Furthermore, upon approval and execution by the Parties, each Party agrees to keep a copy of this 2019 Agreement on file with the Party’s keeper of records.

28. **Entire Agreement.** This 2019 Agreement constitutes the entire agreement between the Parties regarding those subjects that are the subject matter of this 2019 Agreement, and this 2019 Agreement supersedes all prior agreements and understandings between the Parties pertaining thereto, except where otherwise specifically stated herein. Notwithstanding the foregoing, any prior agreements between any Parties, such as leases, land-use agreements, easements, deeds, or other matters separate and distinct from the creation and operation of the Authority as an interlocal entity as provided for in this 2019 Agreement remain in full force and effect and subject to their own respective terms and conditions.

29. **Governing Law & Venue.** The provisions of this 2019 Agreement will be governed by and be construed in accordance with the laws of the state of Utah. Disputes and other issues between the Parties arising out of or related to this 2019 Agreement will be decided by litigation in the Third Judicial District Court of Salt Lake County, Utah.

30. **Disputes.** In the event of disputes and in the absence of any agreement to the contrary, the Authority will continue to provide services during any litigation and the adverse Party will continue to make payments to the Authority in accordance with the terms of this 2019 Agreement to ensure the continued protection of public safety within the Party's communities. This provision may be enforced by injunctive relieve by the courts if necessary.

31. **Waiver.** No failure by either Party to insist upon strict performance of any covenant, duty, agreement, or condition of this 2019 Agreement, or to exercise any right or remedy consequent upon a breach thereof, will constitute a waiver of any such breach or of any other covenant, agreement, term, or condition of this 2019 Agreement. Either Party may, by notice delivered in the manner provided in this 2019 Agreement, but will be under no obligation to, waive any of its rights or any condition to its obligations hereunder, or any duty, obligation or

covenant of the other Party. No waiver will affect or alter the remainder of this Agreement, but each and every other covenant, agreement, term, and condition hereof will continue in full force and effect with respect to any other then existing or subsequently occurring breach.

32. **Severability.** In the event that any condition, covenant, or other provision hereof is held to be invalid, void, or unenforceable, the same will be deemed severable from the remainder of this 2019 Agreement and will in no way affect any other covenant, condition, or other provision herein contained. If such condition, covenant, or other provision will be deemed invalid due to its scope or breadth, such provision will be deemed valid to the extent of the scope or breadth permitted by law.

33. **Counterparts.** This 2019 Agreement may be executed in counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument. Delivery of an executed signature page by facsimile or e-mail transmission shall be effective as delivery of a manually signed counterpart of this 2019 Agreement.

IN WITNESS WHEREOF, the Parties have executed and caused this 2019 Agreement to be duly executed effective as provided in Paragraph 27.

[signatures begin next page]

UNIFIED FIRE AUTHORITY

UNIFIED FIRE AUTHORITY

By _____
Dan Petersen
Fire Chief

Approved as to legal form:

Brian F. Roberts
Chief Legal Officer

Dated: _____

UNIFIED FIRE SERVICE AREA

UNIFIED FIRE SERVICE AREA

By _____
Print: _____
Its: _____

Approved as to legal form:

Dated: _____

DRAFT

SALT LAKE COUNTY

SALT LAKE COUNTY

By _____

Print: _____

Its: _____

Approved as to legal form:

Attest:

Dated: _____

TOWN OF ALTA

TOWN OF ALTA

By _____
Print: _____
Its: _____

Approved as to legal form:

Attest:

DATED: _____

DRAFT

COPPERTON METRO TOWNSHIP

COPPERTON METRO TOWNSHIP

By _____
Print: _____
Its: _____

Approved as to legal form:

Attest:

DATED: _____

DRAFT

COTTONWOOD HEIGHTS

COTTONWOOD HEIGHTS

By _____
Print: _____
Its: _____

Approved as to legal form:

Attest: _____

DATED: _____

EAGLE MOUNTAIN CITY

EAGLE MOUNTAIN CITY

By _____

Print: _____

Its: _____

Approved as to legal form:

Attest:

DATED: _____

EMIGRATION METRO TOWNSHIP

EMIGRATION METRO TOWNSHIP

By _____

Print: _____

Its: _____

Approved as to legal form:

Attest:

DATED: _____

HERRIMAN CITY

HERRIMAN CITY

By _____

Print: _____

Its: _____

Approved as to legal form:

Attest:

DATED: _____

DRAFT

CITY OF HOLLADAY

By _____
Print: _____
Its: _____

Approved as to legal form:

Attest:

DATED: _____

DRAFT

KEARNS METRO TOWNSHIP

KEARNS METRO TOWNSHIP

By _____
Print: _____
Its: _____

Approved as to legal form:

Attest: _____

DATED: _____

MAGNA METRO TOWNSHIP

MAGNA METRO TOWNSHIP

By _____
Print: _____
Its: _____

Approved as to legal form:

Attest:

DATED: _____

DRAFT

MIDVALE CITY

MIDVALE CITY

By _____
Print: _____
Its: _____

Approved as to legal form:

Attest: _____

DATED: _____

MILLCREEK

MILLCREEK

By _____
Print: _____
Its: _____

Approved as to legal form:

Attest:

DATED: _____

RIVERTON CITY

RIVERTON CITY

By _____
Print: _____
Its: _____

Approved as to legal form:

Attest:

DATED: _____

TAYLORSVILLE CITY

TAYLORSVILLE CITY

By _____
Print: _____
Its: _____

Approved as to legal form:

Attest: _____

DATED: _____

WHITE CITY METRO TOWNSHIP

WHITE CITY METRO TOWNSHIP

By _____
Print: _____
Its: _____

Approved as to legal form:

Attest:

DATED: _____

EXHIBIT A

DEFINITIONS

The terms used in this Fire Merit System plan shall be defined as follows:

- a. "Agreement" shall mean that contract, adopted under the Interlocal Agreement Act, which creates or ratifies the creation of the Unified Fire Authority.
- b. "Board" shall mean the Board of Directors of the Unified Fire Authority.
- c. "Chief" shall be the Fire Chief of the Unified Fire Authority fire department.
- d. "Commission" shall mean the Merit Commission of the Fire Merit System.
- e. "Coordinator" shall be the Coordinator for the Fire Merit System.
- f. "Fire Department" shall mean that part of the Unified Fire Authority which provides fire operational and support services, under the direction of the Chief.
- g. "Members" shall mean the municipalities and county which are signatories of the Agreement.
- h. "Merit System" shall mean the Fire Merit System created to govern personnel matters in UFA, as established by this Exhibit.
- i. "Plan" refers to the Fire Merit System Plan, which creates the Merit System and governs personnel matters therein.
- j. "UFA" shall mean the Unified Fire Authority.

FIRE MERIT SYSTEM

1. Employment in the United Fire Authority ("UFA") will be governed by the Fire Merit System as set out in the Agreement, this Fire Merit System Plan ("Plan"), and policies and procedures adopted under paragraph three below.

- a. All employees of the UFA, with the exception of merit-exempt administrative staff and temporaries, will be covered by a Fire Merit System and their employment status will be governed by policies and rules adopted in accordance with this Plan.
- b. Merit-exempt administrative employees may be appointed by the Board and shall include a fire chief and such other administrative positions which by their nature are confidential or key policy-making or both, and which cannot or should not be included in the merit system. Merit-exempt administrative employees are at will.

Merit-exempt employees, who appointment expires or is terminated except for cause, shall be returned to the previous merit position held.

- c. Temporary employees, which includes administrative or support staff employees who work less than 1040 hours per year, paid-call firefighters, or wild-land firefighters are merit-exempt and are at will.
2. The Merit System, and the policies adopted under this Plan, shall provide for the effective implementation of basic merit principles, including the following:
- a. Hiring, selecting, advancing and disciplining employees based on ability, knowledge and skill;
 - b. providing fair and adequate compensation;
 - c. training employees to assure high quality performance;
 - d. retaining employees on the basis of adequate performance and separating employees whose inadequate performance cannot be corrected;
 - e. fairly treating all applicants and employees without regard to race, color, religion, gender, national origin, political affiliation, age, or disability or any other characteristic protected by federal or state law from discrimination;
 - f. providing information regarding political rights and prohibited practices; and
 - g. providing a procedure for informal employee grievances and formal appeals.
3. The adoption of personnel policies and the establishment of a pay plan are legislative activities which are the responsibility of the Board.
- a. Board shall adopt a comprehensive code of personnel policies and procedures regarding the employment status, procedures and benefits for all employees covered by the merit system, including fire fighters and non-fire fighters. Those personnel policies and procedures must be consistent with merit principles and with the provisions of this exhibit.
 - b. The Board shall adopt a comprehensive fire merit system classification plan and grade allocation system applicable to all merit- covered employees and shall prepare and establish a pay plan that includes salaries, incentives, leave, insurance, retirement, and other benefits.

4. The administration of the Merit System and classification plan is the responsibility of a Merit System Coordinator (“Coordinator”).
 - a. The Coordinator is a merit-exempt employee or a contractor who works immediately under the direction, and at the pleasure of, the Board.
 - b. The Coordinator maintains and manages the Merit System classification plan, as directed by the Board, makes recommendations regarding Merit System and personnel matters to the Board and to the Fire Chief.
 - c. The Coordinator shall prepare and conduct competitive examinations for both hiring and promotion and shall prepare registers based on the results of those examinations. All positions covered by the Merit System shall be filled by competitive process. The final hiring authority is vested in the Fire Chief, in accordance with policies and procedures adopted by the Board.
5. The resolution of formal personnel grievances and appeals brought by Merit System employees is a judicial activity within the responsibility of a Merit Commission (“Commission”).
 - a. The Commission shall consist of three persons (“Commissioners”) appointed by the UFA Board.
 - b. Commissioners shall be persons who are experienced in personnel, civil service or related matters and who support basic merit principles. Commissioners may not hold elected office nor be employees of the UFA or of Salt Lake County or any municipality contracting with the UFA. Commissioners shall be appointed for three year terms, but the initial terms of commissioners shall be adjusted in order to stagger terms and one commissioner, chosen by lot, shall serve a two-year term, the second a three-year term, and the third a four-year term. Compensation of Commissioners shall be set by Board policies and procedures. Commissioners may be removed, by the Board, for cause, including failure to perform Commission activities. The internal organization of the Commission, including the appointment of a chair and the establishment of hearing procedures, shall be at the discretion of the Commissioners. Staff assistants and accommodations shall be provided by the Board.
 - c. Commissioners shall have the authority to hear and resolve appeals and disciplinary action which are brought by merit employees. In so doing, the Commission may affirm, modify, or vacate disciplinary action. The subject matter jurisdiction regarding appeals which may be heard by the Commission shall be established and defined by policies and procedures adopted by the Board; provided, however, that the Commission shall always have the authority to hear grievances regarding demotion, suspension without pay and termination. The Board, by policy and procedure, shall define employee grievances that are and are

not appealed to the Commission, and those that are resolved by internal grievance within the fire, emergency, and support command structure.

- d. Any appeals by employees regarding general pay inequities which significantly affect the cost of Baseline Services (Agreement paragraph 3), are not heard by the Commission, but are appealed to and resolved by the UFA Board. Appeals regarding pay inequities shall be resolved in accordance with policies adopted by Board.
6. The UFA's operational services, including fire, paramedic, emergency and support staff services, are provided by the UFA Fire Department ("Department"). Personnel administration as set out below in the Department is the responsibility of the Fire Chief.
- a. The Fire Chief is responsible for management of the Fire Department, including those operational personnel matters which are not specifically vested in the Coordinator under the provisions of this plan. The Fire Chief shall adopt and promulgate an operational procedures manual regarding standard operating procedures in the Department, including but not limited to personnel matters such as work schedules and assignments, payroll procedures, staffing, travel and training.
 - b. All employees are subject to disciplinary action based on misconduct or failure to perform, under the responsibility of the Fire Chief and as defined in policies and procedures adopted by the Board. Such policies and procedures shall comply with merit principles as established in this Plan. The right to review disciplinary action shall be established by policies and procedures, which shall distinguish between disciplinary action which is subject to formal appeal to the Commission and that which is subject to informal grievance internal to the Department.
 - c. The Fire Chief shall administer and support an internal grievance review system which may include mediation or a peer review board, as provided in Policies and Procedures adopted by the Board.
 - d. The Fire Chief shall be responsible to develop job descriptions, make final selections for appointments and promotions from registers as established herein, conduct performance evaluations and to carry out the responsibilities vested in the Fire Chief by Policies and Procedures and may make recommendations to the Board and the Director regarding merit system issues.
7. Amendments to this Plan may be proposed by the Fire Chief, the Coordinator, a member of the Board, or other interested parties. A proposed amendment shall be submitted to the Board for consideration and review. The Board shall make a recommendation regarding the proposal and forward it to the legislative bodies of the County and of each city contracting with the UFA for consideration and approval. If at least two-thirds of the legislative bodies of the County and cities concur in the proposed amendment, it shall be adopted and become part of this plan.

EXHIBIT “B”

DRAFT

Table 1. MEMBER FEE PERCENTAGE			
Member	FUNDING TO UFA	% of UFSA	% OF FUNDING
UFSA*	\$48,890,839		88.17%
Millcreek City		20.38%	17.97%
Salt Lake County Unincorporated		18.18%	16.03%
Taylorsville City		13.06%	11.52%
Riverton City		12.21%	10.77%
Herriman City		9.61%	8.47%
Midvale City		8.49%	7.48%
Cottonwood Heights City	\$3,818,822	n/a	6.89%
Eagle Mountain City		6.98%	6.15%
Holladay City	\$2,586,904	n/a	4.67%
Kearns Metro Township		4.89%	4.31%
Magna Metro Township		4.21%	3.71%
Emigration Metro Township		0.96%	0.84%
White City Metro Township		0.93%	0.82%
Alta Town	\$152,665	n/a	0.28%
Copperton Metro Township		0.12%	0.11%
TOTAL	55,449,230	100.00%	100.00%

*UFSA's percentage of UFA Member Fees is divided between UFSA members based on taxable value:

UFSA BREAKDOWN BY 2019 TAXABLE VALUE

UFSA Members	Taxable Value	% of total
Copperton Metro Township	33,690,335	0.12%
Eagle Mountain City	1,943,067,756	6.98%
Emigration Metro Township	266,505,821	0.96%
Herriman City	2,675,129,875	9.61%
Kearns Metro Township	1,362,438,642	4.89%
Magna Metro Township	1,171,724,025	4.21%
Midvale City	2,363,336,028	8.49%
Millcreek City	5,675,214,848	20.38%
Riverton City	3,401,242,120	12.21%
Salt Lake County Unincorporated	5,063,126,841	18.18%
Taylorsville City	3,637,908,383	13.06%
White City Metro Township	257,643,776	0.93%
TOTAL	27,851,028,450	100%

Table 2. POPULATION PERCENTAGE		
<u>Municipality</u>	<u>Population</u>	<u>% of Total</u>
Millcreek City	60,308	14.29%
Taylorsville City	59,601	14.12%
Riverton City	44,231	10.48%
Herriman City	42,981	10.18%
Kearns Metro Township	35,242	8.35%
Eagle Mountain City	34,632	8.21%
Midvale City	34,263	8.12%
Cottonwood Heights City	33,626	7.97%
Holladay City	31,110	7.37%
Magna Metro Township	27,450	6.50%
Salt Lake County Unincorporated	10,193	2.42%
White City Metro Township	5,599	1.33%
Emigration Metro Township	1,623	0.38%
Copperton Metro Township	812	0.19%
Alta Town	378	0.09%
TOTAL	422,049	100.00%

Source: Kem Gardner Policy Institute, University of Utah

Salt Lake and Utah County Subcounty Estimates

Subcounty Estimates Data (Excel Format) / City-Population tab / Total Population column

Table 3. WEIGHTED VOTING PERCENTAGES

<u>Member</u>	<u>POPULATION</u>	<u>MEMBER FEE</u>	<u>WEIGHTED VOTE</u>
Millcreek City	14.29%	17.97%	16.13%
Taylorsville City	14.12%	11.52%	12.82%
Riverton City	10.48%	10.77%	10.62%
Herriman City	10.18%	8.47%	9.33%
Salt Lake County Unincorporated	2.42%	16.03%	9.22%
Midvale City	8.12%	7.48%	7.80%
Cottonwood Heights City	7.97%	6.89%	7.43%
Eagle Mountain City	8.21%	6.15%	7.18%
Kearns Metro Township	8.35%	4.31%	6.33%
Holladay City	7.37%	4.67%	6.02%
Magna Metro Township	6.50%	3.71%	5.11%
White City Metro Township	1.33%	0.82%	1.07%
Emigration Metro Township	0.38%	0.84%	0.61%
Alta Town	0.09%	0.28%	0.18%
Copperton Metro Township	0.19%	0.11%	0.15%
TOTAL	100.00%	100.00%	100.00%

UNIFIED FIRE AUTHORITY
Resolution No. **11-2019A of 2019**
(Revised and Restated Interlocal Agreement Creating Unified Fire Authority)

A RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF AN INTERLOCAL
COOPERATIVE AGREEMENT TO REVISE AND RESTATE THE CREATION AND
GOVERNANCE OF THE UNIFIED FIRE AUTHORITY

- A. The Interlocal Cooperation Act, Utah Code Ann. §11-13-101 et. seq. (the “Interlocal Cooperation Act”), provides that any two or more public agencies may enter into agreements with one another for joint or cooperative action following the adoption of an appropriate resolution by the governing body of each participating public agency.
- B. The Unified Fire Authority (the “Authority”) and its member entities are public agencies for purposes of the Interlocal Cooperation Act.
- C. The Authority was created in 2004 via interlocal agreement to provide fire protection, emergency medical, and other related services to its member entities.
- D. The Authority and its member entities wish to revise and restate the 2004 agreement to better reflect the current status and operation of the Authority by entering into a new interlocal agreement, the “2019 Interlocal Agreement.”
- E. The legislative body of the Authority and its member entities will each meet in regular open session, in compliance with the Utah Open and Public Meetings Act, to approve each respective entity’s entry into the 2019 Interlocal Agreement.
- F. The Chief Legal Officer of the Authority has reviewed and approved the form of the 2019 Interlocal Agreement as required by Utah Code Ann. §11-13-202.5(3).

G. After careful consideration, the Board of Directors of the Authority has reviewed the form of the 2019 Agreement and determined that it is in the best interests of the Authority and its members to approve the Authority's entry into the 2019 Agreement as proposed.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Unified Fire Authority:

SECTION 1. PURPOSE. The purpose of this Resolution is to approve the entry of the Authority into an interlocal agreement.

SECTION 2. APPROVAL OF INTERLOCAL AGREEMENT. The Board hereby authorizes and directs the execution and delivery of the Revised and Restated Interlocal Cooperation Agreement Between Public Entities to Create and Govern the Unified Fire Authority (the "2019 Interlocal Agreement"), in the form attached as Exhibit "A" hereto, on behalf of Authority.

SECTION 3. RECORDS. The Authority's keeper of records is authorized and instructed to keep and maintain an executed copy of the 2019 Interlocal Agreement available for inspection.

SECTION 4. EFFECTIVE DATE. This Resolution will take effect upon approval. The 2019 Interlocal Agreement will be effective when the following Interlocal Cooperation Act requirements have been satisfied: (i) the Agreement has been approved by all parties as required by Section 11-13-202(2); (ii) each party to the Agreement has submitted the Agreement to an attorney authorized to represent the said party for review as to proper form and compliance with applicable law as required by Section 11-13-202.5(3); and (iii) the approved, signed Agreement has been filed with the keeper of records of each of the parties as required by Section 11-13-209.

Passed by the Board of the Unified Fire Authority, this 19th day of November, 2019.

UNIFIED FIRE AUTHORITY

By: _____
Chair

APPROVED AS TO FORM:

ATTEST:

Chief Legal Counsel

Clerk

Written Consent of Board:

Kathleen Bailey, Copperton Metro Township: _____

Gary Bowen, Emigration Canyon Township: _____

Kelly Bush, Kearns Metro Township: _____

Robert Dahle, City of Holladay: _____

Reid Demman, Salt Lake County: _____

Robert Hale, Midvale City: _____

Jared Henderson, Herriman City: _____

Trish Hull, Magna Metro Township: _____

Kristie Overson, Taylorsville City: _____

Allan Perry, White City Metro Township: _____

Mike Peterson, Cottonwood Heights: _____

Jeff Silvestrini, Millcreek: _____

Richard Snelgrove, Salt Lake County: _____

Harris Sondak, Town of Alta: _____

Sheldon Stewart, Riverton City: _____

Tom Westmoreland, Eagle Mountain City: _____

Jenny Wilson, Salt Lake County: _____

EXHIBIT “A”

REVISED AND RESTATED INTERLOCAL COOPERATION AGREEMENT BETWEEN PUBLIC ENTITIES TO CREATE AND GOVERN THE UNIFIED FIRE AUTHORITY

This Revised and Restated Interlocal Cooperation Agreement (this “2019 Agreement”) is made and entered into as of the 1st day of December 2019, to be effective when all of the conditions identified in Paragraph 27 of this 2019 Agreement have been satisfied, by and between the UNIFIED FIRE SERVICE AREA, a local district and political subdivision of the state of Utah (the “Service Area”); SALT LAKE COUNTY, a body corporate and politic (“County”); the TOWN OF ALTA (“Alta”), COPPERTON METRO TOWNSHIP (“Copperton”), the city of COTTONWOOD HEIGHTS (“Cottonwood Heights”), EAGLE MOUNTAIN CITY (“Eagle Mountain”), EMIGRATION METRO TOWNSHIP (“Emigration”), HERRIMAN CITY (“Herriman”), the CITY OF HOLLADAY (“Holladay”), KEARNS METRO TOWNSHIP (“Kearns”), MAGNA METRO TOWNSHIP (“Magna”), MIDVALE CITY (“Midvale”), MILLCREEK (“Millcreek”), RIVERTON CITY (“Riverton”), TAYLORSVILLE CITY (“Taylorsville”), and WHITE CITY METRO TOWNSHIP (“White City”), all municipal corporations and political subdivisions of the State of Utah. All of the above may be referred to individually as a “Party” and collectively as the “Parties.” Alta, Cottonwood Heights, and Holladay may be referred to collectively at times as the “Contracting Entities.” The remaining Parties, excluding the Service Area, may be referred to collectively at times as the “Service Area Members.” The interlocal entity described herein is referred to as the UNIFIED FIRE AUTHORITY (the “Authority”) and will also be considered a Party to this 2019 Agreement.

RECITALS

A. Several of the Parties, as well as other entities no longer affiliated with the Authority, established the Authority via interlocal agreement effective January 1, 2004, which was also subsequently amended (the “2004 Agreement”).

B. The original membership of the Authority has changed over the course of its history, with the City of Draper exiting the Authority, the establishment of the Service Area as a taxing district for the purposes of funding the provision of services by the Authority to the Service Area Members, the incorporation of Millcreek and the metro townships (formerly a part of the unincorporated area of the County), and the annexation of a number of municipalities into the Service Area.

C. Throughout these changes and since its creation in 2004, the Authority has been a provider of fire suppression, emergency medical, and related services to its member municipalities and unincorporated Salt Lake County.

D. The Parties to this 2019 Agreement desire that the Authority continue to provide fire suppression, rescue services, emergency medical services, emergency protection, and related services to the Parties. The Parties believe that the depth of service provided by the Authority ensures that their communities are receiving consistent and high quality service.

E. Because of the significant changes in the membership of the Authority, as well as lessons learned since its creation in 2004, the Parties agree that a revised and restated interlocal agreement is the best means of setting forth the terms and conditions of the continued existence and governance of the Authority. This 2019 Agreement is therefore intended to, and does, revise

and replace, in its entirety, the 2004 Agreement establishing the Authority, including any amendments thereto.

F. Pursuant to the Interlocal Cooperation Act, Utah Code Ann. § 11-13-101 *et seq.* (the “Interlocal Cooperation Act”), the Parties, all of which are “public agencies” for the purposes of the Interlocal Cooperation Act, are authorized to enter into this 2019 Agreement and to thereby maintain an interlocal entity for the provision of fire suppression, rescue services, emergency medical services, emergency protection, and related services to the Parties.

G. The Parties desire to enter into this 2019 Agreement to affirm the creation of the Authority, refine the description of its membership, and revise the governance of, and terms and conditions of service by, the Authority.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises of the Parties and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Interlocal Entity.** Pursuant to the Interlocal Cooperation Act, the Parties agree to the continued existence of the Authority as a separate political subdivision and body politic and corporate of the state of Utah, as established pursuant the 2004 Agreement, subject to the revised and restated terms and condition found in this 2019 Agreement.
2. **Name.** The legal entity will continue to be known as the Unified Fire Authority.
3. **Summary of Scope of Services to be Provided by Authority.** The scope and type of services provided to the Parties by the Authority will be determined through the regular adoption and maintenance of a strategic plan and other policies of the Authority, adherence to standards of emergency response coverage, and the annual budget process as determined by the

Authority's Board of Directors (the "Board"). The following guidelines are intended to inform these processes for those geographical areas in which the Authority will directly provide services:

4. The Authority will staff engines and trucks with three or more firefighters in a manner to maintain coverage and response reliability within each community.
 - a. In urban and suburban areas, a Party (or in conjunction with another Party or applicable building authority collectively established by Parties) will own or construct, and provide capital maintenance for, fire stations to be used by the Authority that facilitate a four-minute travel time within its built-upon area. The expectation will be for the Authority to maintain a service level that provides an Insurance Services Office ("ISO"), or similar successor rating agency, suppression rating of 3 or better.
 - b. In rural/interface areas that are not yet significantly built-upon (as designated and identified by the ISO), a Party (or in conjunction with another Party or applicable building authority collectively established by Parties) will own or construct, and provide capital maintenance for, fire stations to be used by the Authority, that will meet the requirements for an ISO suppression rating of 9 (3X) or better.
 - c. At the time of execution of this 2019 Agreement, the currently existing or planned stations are consistent with these guidelines.

5. **Baseline Services.** The following baseline services ("Baseline Services") are to be included in the member fee ("Member Fee") described in Paragraph 5. Additional Baseline Services to be included in the annual Member Fee must be approved by a two-thirds vote of the Board as part of its budgetary process. The Member Fee will constitute the payment mechanism

by which the Parties pay the Authority for the Baseline Services provided and will be established by the Board during the Authority's budget process:

- a. Service Delivery:
 - i. Fire Suppression.
 - ii. Advanced and Basic Life Support First Response and emergency transport.
 - iii. Fire Prevention, including Fire Code review and enforcement.
 - iv. Fire / Arson Investigation and Bomb Squad.
 - v. Public Information and Community Events.
 - vi. Special Operations: hazardous materials, heavy rescue, search and rescue, and surface water rescue.
- b. Support Services. Support services such as administration, finance, legal, human resources, information technology, medical, training, and logistics necessary for the delivery of the services stated above.
- c. Capital Purchasing. Timely payment of all debt obligations incurred in capital purchasing and replacement of apparatus and equipment necessary for the delivery of the services stated above.

6. **Member Fee**. Fees and costs for services attributable to the Member Fee will be transparently disclosed and stated with reasonable specificity in each annual budget adopted by the Board. The Board will adopt policies that allow for the guidance and development of the budget. Parties will be provided reasonable notice prior to any significant change in the level of services or reallocation of the Authority's resources compared to the prior fiscal year. Each

Contracting Entity will be charged an individual Member Fee and the Service Area will be charged one Member Fee for all of the Service Area Members. Service Area Members will not be charged an individual Member Fee.

7. **County-wide Fire and Emergency Services.** The County (not the other Parties) may budget funds from its County-wide fund to provide county-wide services (“County-wide Services”). Funding for County-wide Services will be separate from fees and other funding agreements provided under this 2019 Agreement. The Authority will prepare a budget request for the County in such form and follow such timelines and procedures as regularly established by the County. The nature and level of County-wide Services provided by the Authority will be in accordance with the funding budgeted by the County. County-wide Services will be integrated into the command structure and organization of the Authority and include the following:

- a. **Emergency Operation Center and Emergency Planning.** Providing emergency services including grant administration; preparing, drafting and reviewing emergency operation plans for County-wide emergency services in accordance with requirements of federal and state statutes and for use by other government agencies in times of disaster or other emergencies; and providing local emergency planning committee services.
- b. **Recreation Area Services.** Providing fire and emergency medical protection services to areas designated as recreational areas pursuant to Utah Code Ann. §17-34-101, et. seq., or any similar successor provision.
- c. **Additional County-wide Services.** Additional County-wide Services may be established by separate agreement between the Authority and the County without the need to amend this 2019 Agreement.

8. **Enhanced Services.** A Party may individually enhance the level of Baseline Services provided by the Authority to that Party at an additional cost. The enhancement, cost, and start date of the new enhanced service (“Enhanced Services”) are subject to pre-approval by the Board. The additional fee for Enhanced Services will accrue as of the date such services begin and be due and payable as part of that Party’s Member Fee as provided for in this 2019 Agreement or, in the case of a Party that is part of the Service Area, a separate Enhanced Services fee paid separately to UFA by the Party receiving such services.

9. **External Contract Services.** By separate agreements, other agencies may receive and separately fund services. The Board must approve the extension of external contract services. Examples of current external contracts services being provided include:

- a. Urban Search & Rescue program funded by FEMA grants.
- b. Camp Williams Fire Management Officer and suppression funded by the Utah National Guard.
- c. Utah Data Center protection funded by the Utah Military Installation Development Authority.
- d. The JATC fire school program funded by the Jordan School District.

10. **Governance and Administration of Authority.** The Authority’s governing body is its Board, which is comprised of representatives of the Parties served by the Authority (each of which is a “Board Member”). Although the Service Area is a Party to this 2019 Agreement, its role is to act as a taxing district to pay for the Authority’s services for the benefit of its members, and will therefore not have any separate, direct representation on the Board beyond its individual members’ participation on the Board.

a. Board of Directors.

- i. Each city and metro township to which the Authority provides services will receive a position on the Board, regardless of whether they are a Contracting Entity or Service Area Member.
- ii. The County will receive two positions on the Board. One Board Member will be the County Mayor, or a Deputy Mayor as designated by the County Mayor, and one Board Member will be appointed from the County Council.
- iii. Except for the County as provided for in subparagraph a(ii), each Board Member must at all times be an elected official of the Party and either a mayor or councilmember of the municipality's governing body.
- iv. A Party may designate, on an annual basis, an "alternate" Board Member (who must still qualify under subsections a.ii and a.iii above and be designated in writing to the Authority), to attend and fully participate, including voting, in Board meetings on behalf of the Party if that Party's designated regular Board Member is unable to attend due to emergency circumstances. Board Members are encouraged to appear remotely via phone or video if they are unable to attend in person before utilizing this option and to provide as much notice as possible to staff that the alternate will be attending.
- v. Board Members will serve indefinitely at the pleasure of the appointing entity. Any appointment or removal of a Board Member will be

accompanied by a letter or resolution of appointment from the applicable Party notifying the Authority of such action.

- vi. Board meetings, and all actions taken thereby, will require a quorum be present and will operate in compliance with the Open and Public Meetings Act (Utah Code Ann. §52-4-101, et seq.), or successor applicable open meetings law.
- vii. Matters related to the operation of the Board, such as meeting times, the conduct of meetings, chair and vice-chair appointments, etc. will be established and adopted by the Board as written policies and procedures.
- viii. Recognizing the significant time commitment in Board participation, Board Members may, at the discretion of the Board, receive an annual stipend in an amount to be determined by the Board pursuant to the annual budget process for their participation on the Board. While not specifically applicable to the Authority, the Board will comply with the requirements of Utah Code Ann. §10-3-818, or similar successor statutory provision, for any instigation or increase in said stipend. Nothing in this Agreement will prevent an individual Party from compensating, in its discretion, its representative Board Member directly for time spent on Authority matters.

b. Voting.

- i. For all matters related to the governance of the Authority, each Board Member will be entitled to one vote on the Board and matters, unless otherwise specifically stated herein, will be passed by a vote of at least a majority of the Board at a duly noticed meeting; i.e., the affirmative vote

of at least a majority of all Board Members rather than a majority of a quorum of the Board Members present at the particular meeting.

- ii. In regards to any proposed vote of the Board, to be taken pursuant to subsection (b)(i) above, to adopt a fiscal year's tentative or final budget, or to adopt any budget amendment, any two Board Members representing separate Parties may call for a "weighted vote," at which time, after an opportunity for discussion and deliberation by the Board, a vote will be taken on such issue based upon a weighted voting system with the weight of each Board Member's vote being determined as follows:
 1. A "Member Fee Percentage" will be calculated by computing the percentage each Party is paying for the Authority's services in comparison to the total of all Member Fees (Member Fees for this calculation do not include payments for County-wide services provided for in Paragraph 6). UFSA will not be considered a Party for this calculation as its Member Fee in comparison to the total of all Member Fees will be allocated among its member entities in proportion to each Party's taxable value for that fiscal year as calculated by the Utah State Tax Commission.
 2. A "Population Percentage" will be calculated by comparing a Party's population to the total population of the communities served by the Authority, using the most recently available census data, as updated by the Kem C. Gardner Policy Institute or other

agency subsequently designated by the State of Utah for population estimates.

3. Each Party's Member Fee Percentage and its Population Percentage will then be averaged (i.e. 50 percent allocation by Member Fee Percentage and 50% by Population Percentage) to create the final "Weighted Voting Percentage" for that Party.
4. The County's Weighted Voting Percentage will be divided and allocated equally to each of the County's Board Members for the purposes of a weighted vote. In no event will the total percentage of weighted voting allocated to the County Board Members exceed the County's Weighted Voting Percentage.
5. An example of this calculation as it would occur as of October 1, 2019 is attached hereto as Exhibit "B" with the calculation of the Member Fee Percentage shown in Table 1, the Population Percentage shown in Table 2, and the Weighted Voting Percentage shown in Table 3.
6. When weighted voting is requested under this paragraph, approval of the budget or amendment will pass with an affirmative vote of the majority of the weighted vote, i.e. a vote that exceeds fifty percent of the total weighted vote of all Board Members rather than a majority of a quorum of the Board Members present at the particular meeting.

c. Executive Staff:

- i. The Board will directly supervise, appoint, and be responsible for removing if necessary the Fire Chief/CEO of the Authority. The Board will negotiate, approve, and execute a written employment agreement with the Fire Chief/CEO setting forth the terms and conditions of employment.
- ii. The Board will directly supervise, appoint, and be responsible for removing if necessary the Chief Legal Officer of the Authority. The Board will negotiate, approve, and execute a written employment agreement with the Chief Legal Officer setting forth the terms and conditions of employment.
- iii. The Fire Chief will supervise the Chief Financial Officer of the Authority, but will require ratification of the Board for any appointment or removal of an individual to the position of Chief Financial Officer.
- iv. The Merit System Coordinator, as described in Exhibit A to this 2019 Agreement, will operate pursuant to policies established by the Board and will report to the Board on matters related to the Authority's Fire Merit System. Upon request of the Board, the Fire Chief will make a nomination or, at the request of the Board, nominations of a candidate or candidates for the position of Merit System Coordinator and the Board will appoint a person to the position.
- v. All other employees will be supervised by the Fire Chief pursuant to policies adopted by the Authority and Exhibit A to this 2019 Agreement.

- d. Policies. The Board will adopt a set of Board Policies that will broadly govern and set the expectations for the operation of the Authority. These Board Policies will inform and direct a set of operational policies created and adopted by the Fire Chief/CEO in consultation with the CLO and Command Staff.

11. **Non-Station Facilities.**

- a. Other Facilities. If the Authority wishes to construct an additional public safety facility, such as a facility for administration, logistics, training, etc., the Board will equitably apportion the cost to construct or remodel any such public safety facility that is used to provide the Baseline Services to the Parties similar to the apportionment of the Member Fee for Baseline Services. If the benefit of such facility specifically inures to one or more Parties to the exclusion of others, the Board may apportion the cost of such facility to the benefiting Party or Parties to be paid as an addition to the Member Fee (in the case of a Party who is part of the Service Area as a separate fee similar to one charged for Enhanced Services) or by the application of a Party's collected impact fees.
- b. Transition of Stations. Should the Authority decide to discontinue its use of a fire station as an emergency response facility, but the Authority and the owning Party agree that the Authority may continue to use it for another purpose in support of its provision of services, the Authority will assume the capital maintenance responsibility for such facility and will occupy it with an annual lease payment of \$1.00 to the owning Party.

12. **2004 Equipment.** The 2004 Agreement provided a specific description of equipment conveyed to the Authority by the Parties then forming the Authority. The time

elapsed since the 2004 Agreement means that all or nearly all of the equipment conveyed has been cycled through, merged with other equipment, or used to the end of its useful life. The Authority represents that any such equipment detailed in the 2004 Agreement is no longer of any value or has been so incorporated into the Authority inventory that it no longer represents identifiable items of separate property. The Parties therefore agree to disclaim any rights to return of property found in the 2004 Agreement and agree that disposition of any equipment to members upon dissolution or withdrawal will be accomplished according to the provisions of this 2019 Agreement.

13. **Employees.** The Parties (excluding the Authority) agree that no Party will have any fiscal obligation or liability for the payment of salary, wages, benefits, or other compensation of employees of the Authority beyond the assessment of the Member Fee.

14. **Merit System.** The Parties agree that the Authority will operate with a Merit System for sworn fire-fighter employees as provided for in Exhibit A and any policies duly adopted to be consistent therewith and general merit principles.

15. **Reports, Audits, and Performance Measures.**

- a. The Authority will be subject to Utah Code § 11-13-501 et seq., or successor provision, for accounting, reporting, budgeting, and auditing requirements, as modified and enhanced as determined by the Board. The functions of budget officer, treasurer, or any other defined function with respect to the Authority will be determined by policies and procedures adopted by the Board. The budgeting cycle for the Authority will be via a fiscal year beginning July 1 and ending June 30 of the succeeding year.

- b. To ensure transparency, the Authority will prepare a financial report as part of the annual budgeting process and receive an annual audit report. Such reports will be both posted online and available upon request.
- c. The Authority will also keep records and statistics related to the performance of its services and will, from time to time, prepare reports summarizing performance.

The Board or any individual Party may make a request for the creation of such a report at any time and Authority will use its best efforts to prepare such a report in a timely manner.

16. **Indemnification.** The services the Authority provides are governmental functions and the Parties are all governmental entities under the “Governmental Immunity Act of Utah” (Utah Code § 63G-7-101, et seq.), or successor provision (the “Immunity Act”). The Parties do not waive any immunities, rights, or defenses available under the Immunity Act, nor does any Party waive any limits of liability provided by the Immunity Act. Consistent with the terms of the Immunity Act, and as provided herein, it is mutually agreed that each Party is responsible and liable for its own wrongful or negligent acts which are committed by it or by its agents, officials, or employees. Each Party agrees to defend, indemnify, save and hold harmless the Authority or any other Party (including its elected and appointed officers and employees) from and against demands, claims, actions and/or proceedings, in law or equity (including reasonable attorney’s fees and costs of suit) relating to or arising from actions of that Member’s elected and appointed officers or employees or the Authority’s enforcement of any ordinances of that Party that is alleged to be unconstitutional or illegal.

17. **Term.** This 2019 Agreement will be effective as of the date it is fully approved and executed by the Parties and, unless terminated as provided for herein, will be in effect for a

term of twenty-five years. The Parties agree that every five years this 2019 Agreement will be brought before for the Board for review and discussion to determine if revisions are necessary to better accomplish its goals given any changes in circumstances or law that have occurred over the preceding years.

18. **Withdrawal.**

- a. **Cooperation.** If a Party wishes to withdraw from the Authority and the terms and conditions of this 2019 Agreement, the Parties agree to work cooperatively in such a manner as to minimize the harm to any Party and the public safety of the citizens of all Parties. The Authority will respect the desire and decision of the withdrawing Party, and the withdrawing Party will respect the need for and allow the necessary planning to ensure a withdrawal will result in the minimum impact reasonably possible on the Authority and remaining Parties.
- b. **Requirements.**
 - i. Due to the complexities of the operation of the Authority and the significant impact a withdrawal may have on the other Parties, a Party must provide at least twelve months' advance notice as to the date it wishes to withdraw from the Authority. Those twelve months will run from the date the UFA Fire Chief and CLO receive a written notice of withdrawal from the withdrawing Party. The Parties acknowledge that the annual Member Fees paid to the Authority do not constitute the establishment of a debt for any Party and will be paid as services are provided. Furthermore, the Parties acknowledge that the inclusion of a

twelve months' withdrawal period renders this 2019 Agreement one of reasonable duration.

- ii. The twelve month notice requirement for withdrawal may be shortened upon mutual agreement between the withdrawing Party and the Authority, if approved by the Board.
- iii. Upon providing notice of its intent to withdraw, the withdrawing Party's Board Member must, if applicable, relinquish his or her position as Board Chair/Vice-Chair and any committee Chair. The Board Member will also be automatically recused from matters directly affecting the withdrawal process. Such recusal will only extend to voting on matters related to the withdrawal process and the withdrawing Party's Board Member will have the right to participate in Board discussions and debates related to such issues. However, a withdrawing Party's Board Member may be excluded from any closed sessions, properly held pursuant to the Utah Open and Public Meetings Act, to discuss matters related to the withdrawal of that Party. If a withdrawing Party revokes its intent to withdraw, its Board and Committee positions will be reinstated.
- iv. The Parties and the Authority agree that if a Party withdraws and subsequently forms or participates in a new fire department with other Parties, that the Authority and withdrawing Party will, in good faith, negotiate or join existing relevant mutual and automatic aid agreements covering both the Authority and withdrawing Party, subject to approval of the withdrawing Party's governing body.

- v. Upon receiving a notice of intent to withdrawal, the Parties will begin the withdrawal process by creating a withdrawal plan that will comply with the general principles provided for in this Paragraph 17.

c. Disposition of Stations or Equipment.

- i. Station Lease. The Authority will cease using the stations owned by the withdrawing Party upon the effective date of the Party's withdrawal. The withdrawing Party, or other station owner, will receive the station in an as-is condition as of the effective date of the withdrawal. If the withdrawing Party is not the owner of the station at the time of withdrawal and it wishes to use the station after withdrawal, the withdrawing Party will be responsible for coordinating such use with the station's owner. The Authority will use its best efforts to maintain the station in its condition from the date of the notice to the date of withdrawal, but will not be responsible for any normal wear and tear during the withdrawal period, nor for any deterioration or destruction of the station outside of its control.
- ii. Improvements. If the Authority has constructed or incorporated improvements or fixtures into the real property of the stations that cannot be removed without destroying the improvement's value, the withdrawing party will reimburse the Authority for the depreciated value of the improvements at the time of withdrawal using a ten year straight line depreciation period with no residual.
- iii. Station Inventory. The Authority and the withdrawing Party will meet and confer to create a property disposition plan to account for supplies and

equipment located in the stations serving the withdrawing Party that are to be vacated by the Authority. This plan will contain an inventory of any items for which the withdrawing Party can specifically prove ownership. The withdrawing Party will be entitled to retain only such inventoried items upon withdrawal. All other supplies or equipment used or installed by the Authority during its normal operations and procurement will not be included in this inventory and will be retained by the Authority or sold to the withdrawing Party pursuant to the terms of this 2019 Agreement.

- iv. Apparatus and Equipment. If the withdrawing Party has transferred apparatus or equipment to the Authority and such apparatus or equipment has not been cycled through to the end of its usable life or inseparably incorporated in the Authority's inventory, those units will be returned to the withdrawing Party. All apparatus and equipment purchased through the Authority's capital replacement plan is owned by the Authority.
- v. Debt Obligation. Although the withdrawing Party will not be obligated to continue its portion of the payment for any debt of the Authority related to the acquisition of apparatus and equipment, however, the withdrawing Party will not have any property right to any such apparatus and equipment in the stations serving the withdrawing Party except as provided for above.
- vi. Sale of Apparatus or Equipment. Unless it determines doing so will cause harm to the remaining Parties, the Authority will offer to sell engines, trucks, ambulances, and/or other equipment (each "a unit") assigned to the

stations serving the withdrawing Party at full market value (i.e. the retail price the unit would cost in an arms-length transaction given its age and condition at the time of purchase by the withdrawing Party) as determined by a mutually agreed-upon third party appraisal (hereinafter “FMV”). The withdrawing Party is not obligated to make such a purchase.

1. Any units that were purchased as part of a current, outstanding loan or lease to the Authority will be retained by the Authority. A withdrawing Party may acquire such a unit if the withdrawing Party is able to assume full financial responsibility of the underlying obligation and obtain a full release of the Authority’s obligation to maintain ownership of the unit as collateral for any loan, lease, or other transaction. Such an assumption of liability and release will be subject to agreement with the Authority, including the potential payment of consideration to the Authority to account for any equitable value of the asset (i.e. payment of FMV less the assumed obligation) or the obligation being paid and released through the Authority (i.e. payment of FMV and receipt of the unit without any attached debt obligation), and will only be considered if such a transaction does not adversely affect the Authority’s operations or the financing of the Authority’s other assets. The Authority may also substitute another unit as appropriate.

2. If the withdrawing Party wishes to acquire additional apparatus and equipment units beyond that serving the withdrawing Party, the Authority, at its option, may offer additional apparatus or equipment at FMV.
- d. Personnel. If the withdrawing Party plans upon withdrawal to start its own department or expand a previously existing department with others, the withdrawing Party agrees to provide (or to encourage, in good faith, the existing department it is joining to provide) an employee selection process exclusively for interested, existing staff of the Authority prior to engaging in an open and public recruitment for staffing.
- i. This process does not include recruitment for Fire Chief or other and executive level positions.
 - ii. The withdrawing Party is not obligated to hire those who apply during this process, merely to give existing staff of the Authority the first opportunity to potentially fill the prospective new positions.
 - iii. The withdrawing Party agrees that employees of the Authority that are hired by the withdrawing Party will have the option to either: 1) receive a payout of their Authority vacation balance directly from the Authority on the employee's date of separation pursuant to the Authority's then existing policy; or 2) transfer of their vacation hours to their new position with the withdrawing Party. In the event of a transfer and acceptance of vacation hours, the Authority will pay to the withdrawing Party the value of the

vacation hours at the employee's wage rate as of the employee's last day with the Authority.

- iv. Sick leave balances of employees hired by the withdrawing Party will not be transferred and will be handled pursuant to internal policy and procedure of the Authority.
- v. Retirements contributions by the Authority for the any employee leaving the Authority and starting work with a withdrawing Party will cease upon the employee's last day with the Authority.
- vi. The Authority will allow any fire fighter leaving the Authority and moving to the withdrawing Party to take their existing, issued personal protective equipment ("PPE") with them to their new employment with the withdrawing Party. The ownership of the PPE will be transferred to the withdrawing Party at no cost.

- e. Licenses. The Authority will work in good faith with the withdrawing Party to secure or transfer the necessary licenses or contractual arrangements for the provision of emergency ground transportation.

19. **Admission of New Parties**. The Parties anticipate that during the term of this 2019 Agreement additional governmental entities may wish to join the Authority and be bound to the terms and conditions of this 2019 Agreement. The process and requirements for becoming an additional Party to this Agreement and member of the Authority will apply equally to the addition of a new Contracting Entity to the Authority and to the addition of a municipality to the Service Area. The process and requirements should occur prior to the statutory process required for such admission of a municipality to the Service Area, and any entity that approaches the

UFSA Board or a UFSA Board Member about joining the UFSA will be directed to speak first to the UFA Chair and/or the Fire Chief. Admission of an additional Party will be pursuant to the following process and conditions:

- a. The Fire Chief will advise the Board Chair of any expressed interest in joining the Authority of which the Fire Chief becomes aware, and the Board Chair will advise the Fire Chief of any expressed interest in joining the Authority of which the Board Chair becomes aware. The Fire Chief and Board Chair will then have the authority to hold initial, non-public discussions with any municipality or other entity expressing interest in joining the Authority to gauge feasibility or level of interest in joining. However, neither the Fire Chief nor the Board Chair is authorized to discuss the potential of an entity joining the Authority in a public setting without prior notice to and permission from the Board. Further, neither the Fire Chief nor the Board Chair may make any agreements with the potential new member concerning joining the Authority without complying with the requirements of this Paragraph 18.
- b. Under the direction of the Board, the Authority's staff will conduct a feasibility study to evaluate the potential addition of the new member. In conducting the feasibility study under this section, the study should include the following (provided that these guidelines are subject to revision by the Board in subsequent Board Policy without the need to amend this 2019 Agreement):
 - i. Population and population density within the proposed municipality;

- ii. Current and five-year projections of demographics and economic base in the proposed municipality, including household size and income, commercial and industrial development, and public facilities;
- iii. Projected growth in the proposed municipality during the next five years;
- iv. The present and five-year projections of the cost, including overhead, of providing the Baseline Services in the proposed municipality as is provided by the Authority in similar municipalities;
- v. The number, classification, and cost of wages, salaries, and benefits of any line and staff employees that the proposed municipality desires the Authority to absorb as part of joining the Authority assuming that:
 - 1. The Authority will agree to accept all fire personnel assigned to engines, trucks, and ambulances;
 - 2. The Authority will have the option to consider employment of Chief Officers or other staff;
 - 3. Employees transferred to the Authority will transfer with:
 - a. Wages normalized to the Authority pay structure except that if an employee's existing wage is higher, the employee wage will be frozen until the wage is normalized with the Authority wage schedule;
 - b. Seniority equal to years of full time career experience with the joining municipality on last day of employment with the joining municipality;

- c. Vacation leave balance on last day of employment with a calculation of the total liability for vacation accrual that will be paid for by the joining municipality;
 - d. Sick leave balance on last day of employment (if hours exceed existing Authority cap, cost for municipality to buy down the employee's sick leave prior to transferring to the Authority).
- vi. The location, condition, and value of the physical assets necessary to provide services in the joining municipality that would be transferred to the Authority by the municipality including in the study the feasibility of:
 - 1. A Contracting Entity retaining ownership of the fire stations and being responsible for capital maintenance, or a Service Area Member transferring station ownership and responsibility for capital maintenance to the Service Area.
 - 2. Transferring necessary assets, such as apparatus, equipment, PPE, station supplies, etc. to the Authority to provide the services to the joining municipality.
- vii. An assessment of the debts, liabilities, and obligations of the joining municipality that may be necessary for the Authority to acquire in order to provide the services to the joining municipality.
- viii. The fiscal impact that the joining municipality's addition has on other Parties by the Authority, including any Member Fee changes that may become necessary to maintain existing levels of service for current Parties.

- ix. The impact of adding the municipality to the Authority service area on the Insurance Service Office (ISO) Fire Insurance Community Grading currently held by the Authority.
 - x. Any other factor that staff considers relevant to the question of admitting a new municipality to the Authority.
- c. A joining municipality, depending upon the circumstances and the equities involved in its joining the Authority, may be subject to a separate agreement that may contain a minimum period of membership that will be negotiated based on the review of the circumstances, including the assets and liabilities the municipality will be transferring to the Authority
- d. Approval of a new municipality as either a Contracting Entity or as a new member of the Service Area would require a two-thirds affirmative vote of the Authority's Board at a duly noticed meeting (i.e., the affirmative vote of at least two-thirds of all Board Members rather than two-thirds of a quorum of the Board Members present at the particular meeting) and the new member agreeing to sign as a Party to this 2019 Agreement.
- e. After approval by the Board just described, an entity desiring to join the Authority by joining the Service Area (as opposed to becoming a Contracting Entity), must file a resolution to initiate the Annexation procedures set forth in Title 17B, Chapter 1, Part 4 of the Utah Code. As this process is statutory in nature, a successful annexation cannot be guaranteed. For instance, the annexation statute allows for a certain number of citizen protests to halt an annexation, or to force an election on the matter.

- f. The incorporation of a previously unincorporated area, served by the Authority and located within the Service Area, as a new municipality that remains in the Service Area will not be considered an admission of a “new” Party under this Paragraph. Such municipality will receive a position on the Board as described in Paragraph 9.
 - g. A municipality leaving the Service Area to become a Contracting Entity will not be considered a “new” Party, but will be subject to the Member Fee system and calculation for contracting parties as adopted in the current budget.
20. **Coverage Area.** The coverage area of the Authority may increase or otherwise be affected by annexations, disconnections, consolidations, boundary adjustments and/or dissolutions related to the individual Parties. The Parties agree to notify the Authority, in advance, of any such changes to the coverage area. If such a change is significant enough to materially affect the response time or other operational issues, the Parties agree that a change to the Member Fee may be warranted and that such change may be brought to the Board for approval outside of the annual budgetary process.
21. **Service Area.** The Service Area Members are each individual municipalities and are served by the Authority. Each Service Area Member is therefore a separate and independent Party under the terms of this 2019 Agreement and enjoys the rights and remedies provided for herein. In the event of a split in position or controversy between or among the Service Area Members, those Parties agree that such will be resolved within the context of the membership and governance of the Service Area and the provisions of this 2019 Agreement will not be used to frustrate the Service Area’s purposes or otherwise harm the operations of the Authority in providing services to the citizens of the Parties. Similarly, the Authority will assist to the degree

reasonably possible any Party wishing to switch from a Contracting Entity to a Service Area Member, or vice versa, to accomplish that Party's goal without discrimination or harm to any other Party. An alteration in the composition of the Service Area that does not increase the extent of the Authority's services to another geographic area needs only to be accompanied by a written acknowledgement reflecting such composition without any need to undergo the amendment process provided for in Paragraph 25. For example, if an unincorporated area that is part of the Service Area incorporates into a municipality or a metro township incorporates into a city, and such new entity remains in the Service Area such that Authority services will continue, no amendment is necessary and the new entity may simply sign an acknowledgement to be bound by the terms of this 2019 Agreement as a Party in its newly established form. It will then be considered, in its new form, as a Party to this 2019 Agreement without the need for further action by the other Parties

22. **Remittance.** Each Party will prospectively remit the payments required to the Authority by this 2019 Agreement, such as the Member Fee established each annual budget year or any other required payments, on a quarterly basis and on the first day of each calendar quarter. Upon agreement between the Authority and a Party, a Party may also pay prospectively amounts due at shorter intervals, such as monthly, so long as the arrangement is agreed upon in advance and in writing.

23. **Breach or Failure to Pay.**

- a. A failure to timely pay the Member Fee or other payment due to the Authority will be considered an immediate and material breach of this 2019 Agreement. Upon such failure to pay, the Authority will notify the breaching Party of the alleged breach and provide thirty days for the breaching Party to remedy the

alleged breach. Authority will continue to provide the services provided for in this 2019 Agreement in light of the public safety impacts a cessation of services would cause, however, failure to remedy the alleged breach after thirty days will result in the Authority being allowed to declare a default of this 2019 Agreement. Upon declaration of default, the Authority may seek all remedies available at law or equity (including the judicial remedy of injunctive relief to require the continued payment for services being provided), and the declaration of default will be deemed to constitute an involuntary Notice of Withdrawal to begin the process provided for in Paragraph 17 for the breaching Party.

- b. Upon a material breach of this 2019 Agreement by a Party not involving a failure to pay an amount due, the non-breaching Party or Parties will notify the breaching Party of the alleged breach and provide 30 days to remedy the alleged breach. If the breaching Party fails to remedy the alleged breach, the non-breaching Party or Parties may declare a Default of this 2019 Agreement and seek appropriate remedies in law or equity.

24. **Termination.** Due to the nature of the services being provided and the structure of the Authority, this 2019 Agreement cannot be terminated in its entirety except by the expiration of its term, by the mutual agreement of all Parties that the Authority should be dissolved as an interlocal entity, or by any other method now or hereafter provided in the Interlocal Cooperation Act, Utah Code Ann. §11-13-101 et.seq. The Agreement may be terminated as to an individual Party pursuant to the withdrawal process provided for Paragraph 17. Upon withdrawal this 2019 Agreement will be terminated with respect to the withdrawing

Party, but any remaining payment obligations remaining after withdrawal and all the provision of Paragraph 15 (Indemnification) will survive the termination with respect to said Party.

25. **Dissolution.** The Authority may be dissolved and operations terminated upon the unanimous written consent of all Parties to this 2019 Agreement at the time of dissolution. Upon dissolution, all leases will terminate, all assets actually contributed by a Party still identifiable as separate property with a right of return will be returned to such Party and any remaining assets (whether real property or personal property) of the Authority will be distributed based on a fraction, the numerator of which is the aggregate amount of Member Fees paid by a Party and the denominator of which is the aggregate amount of Member Fees paid by all of the Parties to the Authority for services. Any unpaid liabilities of the Authority will be paid by the Parties based on the same fraction. Such liability will be a joint liability.

26. **Amendment.** This 2019 Agreement may not be amended except by written instrument signed by all Parties. Amendments will be approved as follows:

- a. Amendments may be proposed to the Board by any Party or staff of the Authority.
- b. The Board shall consider the proposed amendment and may only approve the advancement of the proposed amendment for review by the Parties by a vote of at least two-thirds of the Board present at a duly noticed meeting; i.e., the affirmative vote of at least two-thirds of all Board Members rather than two-thirds of a quorum of the Board Members present at the particular meeting.
- c. Upon advancement, each Party (not including the Authority or the Service Area) must present the proposed amendment to their appropriate legislative bodies for review and consideration.

- d. Each Party (not including the Authority or the Service Area) will have sixty days to review the proposed amendment with its executive officers and legislative body and either provide notice of acceptance of the proposed amendment or suggest alternatives to be considered by the Board.
- e. Subsequent to this legislative review, the Board may approve a final amendment only by a vote of at least two-thirds of the Board at a duly noticed meeting; i.e. the affirmative vote of at least two-thirds of all Board Members rather than two-thirds of a quorum of the Board Members present at the particular meeting.
- f. Upon approval by the Board pursuant to this Paragraph, all Parties must agree to the final Amendment via a written document amending this 2019 Agreement within sixty days. Failure to agree to the approved Amendment will constitute an involuntary Notice to Withdraw pursuant to Paragraph 17.

27. **Notices.** All notices, requests, demands, and other communications hereunder will be in writing and given to any Party by delivering a copy, via U.S. Mail, to the Mayor (or if applicable to the form of government, the Council Chair or City Manager) of any municipal or County Party, sent to that Party's official governmental office address, with a copy also sent to the same official office and addressed to "City/County Attorney or Chief Counsel." For the Authority or Service Area, notices should be sent to the following:

If to Authority:
Unified Fire Authority
Office of the Fire Chief
3380 South 900 West
Salt Lake City, UT 84119

With a copy to:
Unified Fire Authority
Chief Legal Officer
3380 South 900 West

Salt Lake City, UT 84119

If to Service Area:
Unified Fire Service Area
Office of the Administrator
3380 South 900 West
Salt Lake City, UT 84119

With a copy to:
Fabian VanCott
Attn: Rachel Anderson
215 South State Street, Suite 1200
Salt Lake City, UT 84111
randerson@fabianvancott.com

28. **Interlocal Cooperation Act.** The Parties enter into this 2019 Agreement pursuant to the Interlocal Cooperation Act. For the purpose of satisfying specific requirements of the Interlocal Cooperation Act, the Parties agree as follows:

- a. This 2019 Agreement maintains and affirms the creation of the separate interlocal entity known as the “Unified Fire Authority” that will operate using its own budget, may acquire real or personal property and may take any other act authorized by Utah law.
- b. The Authority will be governed by its Board and according to the provisions of this 2019 Agreement.
- c. Because this 2019 Agreement cannot take effect until it has met the requirements of the Interlocal Cooperation Act, each Party agrees by its signature that this 2019 Agreement has been presented and approved by that Party’s legislative body by a resolution or ordinance that is in compliance with Utah Code Ann. § 11-13-202.5(2) and been submitted and approved by the attorney authorized to represent the Party in compliance with Utah Code Ann. § 11-13-202.5(3). Furthermore,

upon approval and execution by the Parties, each Party agrees to keep a copy of this 2019 Agreement on file with the Party's keeper of records.

29. **Entire Agreement.** This 2019 Agreement constitutes the entire agreement between the Parties regarding those subjects that are the subject matter of this 2019 Agreement, and this 2019 Agreement supersedes all prior agreements and understandings between the Parties pertaining thereto, except where otherwise specifically stated herein. Notwithstanding the foregoing, any prior agreements between any Parties, such as leases, land-use agreements, easements, deeds, or other matters separate and distinct from the creation and operation of the Authority as an interlocal entity as provided for in this 2019 Agreement remain in full force and effect and subject to their own respective terms and conditions.

30. **Governing Law & Venue.** The provisions of this 2019 Agreement will be governed by and be construed in accordance with the laws of the state of Utah. Disputes and other issues between the Parties arising out of or related to this 2019 Agreement will be decided by litigation in the Third Judicial District Court of Salt Lake County, Utah.

31. **Disputes.** In the event of disputes and in the absence of any agreement to the contrary, the Authority will continue to provide services during any litigation and the adverse Party will continue to make payments to the Authority in accordance with the terms of this 2019 Agreement to ensure the continued protection of public safety within the Party's communities. This provision may be enforced by injunctive relieve by the courts if necessary.

32. **Waiver.** No failure by either Party to insist upon strict performance of any covenant, duty, agreement, or condition of this 2019 Agreement, or to exercise any right or remedy consequent upon a breach thereof, will constitute a waiver of any such breach or of any other covenant, agreement, term, or condition of this 2019 Agreement. Either Party may, by

notice delivered in the manner provided in this 2019 Agreement, but will be under no obligation to, waive any of its rights or any condition to its obligations hereunder, or any duty, obligation or covenant of the other Party. No waiver will affect or alter the remainder of this Agreement, but each and every other covenant, agreement, term, and condition hereof will continue in full force and effect with respect to any other then existing or subsequently occurring breach.

33. **Severability.** In the event that any condition, covenant, or other provision hereof is held to be invalid, void, or unenforceable, the same will be deemed severable from the remainder of this 2019 Agreement and will in no way affect any other covenant, condition, or other provision herein contained. If such condition, covenant, or other provision will be deemed invalid due to its scope or breadth, such provision will be deemed valid to the extent of the scope or breadth permitted by law.

34. **Counterparts.** This 2019 Agreement may be executed in counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument. Delivery of an executed signature page by facsimile or e-mail transmission shall be effective as delivery of a manually signed counterpart of this 2019 Agreement.

IN WITNESS WHEREOF, the Parties have executed and caused this 2019 Agreement to be duly executed effective as provided in Paragraph 27.

[signatures begin next page]

EXHIBIT A

DEFINITIONS

The terms used in this Fire Merit System plan shall be defined as follows:

- a. "Agreement" shall mean that contract, adopted under the Interlocal Agreement Act, which creates or ratifies the creation of the Unified Fire Authority.
- b. "Board" shall mean the Board of Directors of the Unified Fire Authority.
- c. "Chief" shall be the Fire Chief of the Unified Fire Authority fire department.
- d. "Commission" shall mean the Merit Commission of the Fire Merit System.
- e. "Coordinator" shall be the Coordinator for the Fire Merit System.
- f. "Fire Department" shall mean that part of the Unified Fire Authority which provides fire operational and support services, under the direction of the Chief.
- g. "Members" shall mean the municipalities and county which are signatories of the Agreement.
- h. "Merit System" shall mean the Fire Merit System created to govern personnel matters in UFA, as established by this Exhibit.
- i. "Plan" refers to the Fire Merit System Plan, which creates the Merit System and governs personnel matters therein.
- j. "UFA" shall mean the Unified Fire Authority.

FIRE MERIT SYSTEM

1. Employment in the United Fire Authority ("UFA") will be governed by the Fire Merit System as set out in the Agreement, this Fire Merit System Plan ("Plan"), and policies and procedures adopted under paragraph three below.

- a. All employees of the UFA, with the exception of merit-exempt administrative staff and temporaries, will be covered by a Fire Merit System and their employment status will be governed by policies and rules adopted in accordance with this Plan.
- b. Merit-exempt administrative employees may be appointed by the Board and shall include a fire chief and such other administrative positions which by their nature are confidential or key policy-making or both, and which cannot or should not be included in the merit system. Merit-exempt administrative employees are at will. Merit-exempt

employees, who appointment expires or is terminated except for cause, shall be returned to the previous merit position held.

c. Temporary employees, which includes administrative or support staff employees who work less than 1040 hours per year, paid-call firefighters, or wild-land firefighters are merit-exempt and are at will.

2. The Merit System, and the policies adopted under this Plan, shall provide for the effective implementation of basic merit principles, including the following:

- a. Hiring, selecting, advancing and disciplining employees based on ability, knowledge and skill;
- b. providing fair and adequate compensation;
- c. training employees to assure high quality performance;
- d. retaining employees on the basis of adequate performance and separating employees whose inadequate performance cannot be corrected;
- e. fairly treating all applicants and employees without regard to race, color, religion, gender, national origin, political affiliation, age, or disability or any other characteristic protected by federal or state law from discrimination;
- f. providing information regarding political rights and prohibited practices; and
- g. providing a procedure for informal employee grievances and formal appeals.

3. The adoption of personnel policies and the establishment of a pay plan are legislative activities which are the responsibility of the Board.

a. Board shall adopt a comprehensive code of personnel policies and procedures regarding the employment status, procedures and benefits for all employees covered by the merit system, including fire fighters and non-fire fighters. Those personnel policies and procedures must be consistent with merit principles and with the provisions of this exhibit.

b. The Board shall adopt a comprehensive fire merit system classification plan and grade allocation system applicable to all merit- covered employees and shall prepare and establish a pay plan that includes salaries, incentives, leave, insurance, retirement, and other benefits.

4. The administration of the Merit System and classification plan is the responsibility of a Merit System Coordinator ("Coordinator").

- a. The Coordinator is a merit-exempt employee or a contractor who works immediately under the direction, and at the pleasure of, the Board.
 - b. The Coordinator maintains and manages the Merit System classification plan, as directed by the Board, makes recommendations regarding Merit System and personnel matters to the Board and to the Fire Chief.
 - c. The Coordinator shall prepare and conduct competitive examinations for both hiring and promotion and shall prepare registers based on the results of those examinations. All positions covered by the Merit System shall be filled by competitive process. The final hiring authority is vested in the Fire Chief, in accordance with policies and procedures adopted by the Board.
5. The resolution of formal personnel grievances and appeals brought by Merit System employees is a judicial activity within the responsibility of a Merit Commission (“Commission”).
 - a. The Commission shall consist of three persons (“Commissioners”) appointed by the UFA Board.
 - b. Commissioners shall be persons who are experienced in personnel, civil service or related matters and who support basic merit principles. Commissioners may not hold elected office nor be employees of the UFA or of Salt Lake County or any municipality contracting with the UFA. Commissioners shall be appointed for three year terms, but the initial terms of commissioners shall be adjusted in order to stagger terms and one commissioner, chosen by lot, shall serve a two-year term, the second a three-year term, and the third a four-year term.

Compensation of Commissioners shall be set by Board policies and procedures. Commissioners may be removed, by the Board, for cause, including failure to perform Commission activities. The internal organization of the Commission, including the appointment of a chair and the establishment of hearing procedures, shall be at the discretion of the Commissioners. Staff assistants and accommodations shall be provided by the Board.
 - c. Commissioners shall have the authority to hear and resolve appeals and disciplinary action which are brought by merit employees. In so doing, the Commission may affirm, modify, or vacate disciplinary action. The subject matter jurisdiction regarding appeals which may be heard by the Commission shall be established and defined by policies and procedures adopted by the Board; provided, however, that the Commission shall always have the authority to hear grievances regarding demotion, suspension without pay and termination. The Board, by policy and procedure, shall define employee grievances that are and are not appealed to the Commission, and those that are resolved by internal grievance within the fire, emergency, and support command structure.

d. Any appeals by employees regarding general pay inequities which significantly affect the cost of Baseline Services (Agreement paragraph 3), are not heard by the Commission, but are appealed to and resolved by the UFA Board. Appeals regarding pay inequities shall be resolved in accordance with policies adopted by Board.

6. The UFA's operational services, including fire, paramedic, emergency and support staff services, are provided by the UFA Fire Department ("Department"). Personnel administration as set out below in the Department is the responsibility of the Fire Chief.

a. The Fire Chief is responsible for management of the Fire Department, including those operational personnel matters which are not specifically vested in the Coordinator under the provisions of this plan. The Fire Chief shall adopt and promulgate an operational procedures manual regarding standard operating procedures in the Department, including but not limited to personnel matters such as work schedules and assignments, payroll procedures, staffing, travel and training.

b. All employees are subject to disciplinary action based on misconduct or failure to perform, under the responsibility of the Fire Chief and as defined in policies and procedures adopted by the Board. Such policies and procedures shall comply with merit principles as established in this Plan. The right to review disciplinary action shall be established by policies and procedures, which shall distinguish between disciplinary action which is subject to formal appeal to the Commission and that which is subject to informal grievance internal to the Department.

c. The Fire Chief shall administer and support an internal grievance review system which may include mediation or a peer review board, as provided in Policies and Procedures adopted by the Board.

d. The Fire Chief shall be responsible to develop job descriptions, make final selections for appointments and promotions from registers as established herein, conduct performance evaluations and to carry out the responsibilities vested in the Fire Chief by Policies and Procedures and may make recommendations to the Board and the Director regarding merit system issues.

7. Amendments to this Plan may be proposed by the Fire Chief, the Coordinator, a member of the Board, or other interested parties. A proposed amendment shall be submitted to the Board for consideration and review. The Board shall make a recommendation regarding the proposal and forward it to the legislative bodies of the County and of each city contracting with the UFA for consideration and approval. If at least two-thirds of the legislative bodies of the County and cities concur in the proposed amendment, it shall be adopted and become part of this plan.

EXHIBIT “B”

Table 1. MEMBER FEE PERCENTAGE			
Member	FUNDING TO UFA	% of UFSA	% OF FUNDING
UFSA*	\$48,890,839		88.17%
Millcreek City		20.38%	17.97%
Salt Lake County Unincorporated		18.18%	16.03%
Taylorsville City		13.06%	11.52%
Riverton City		12.21%	10.77%
Herriman City		9.61%	8.47%
Midvale City		8.49%	7.48%
Cottonwood Heights City	\$3,818,822	n/a	6.89%
Eagle Mountain City		6.98%	6.15%
Holladay City	\$2,586,904	n/a	4.67%
Kearns Metro Township		4.89%	4.31%
Magna Metro Township		4.21%	3.71%
Emigration Metro Township		0.96%	0.84%
White City Metro Township		0.93%	0.82%
Alta Town	\$152,665	n/a	0.28%
Copperton Metro Township		0.12%	0.11%
TOTAL	55,449,230	100.00%	100.00%

*UFSA’s percentage of UFA Member Fees is divided between UFSA members based on taxable value:

UFSA BREAKDOWN BY 2019 TAXABLE VALUE

UFSA Members	Taxable Value	% of total
Copperton Metro Township	33,690,335	0.12%
Eagle Mountain City	1,943,067,756	6.98%
Emigration Metro Township	266,505,821	0.96%
Herriman City	2,675,129,875	9.61%
Kearns Metro Township	1,362,438,642	4.89%
Magna Metro Township	1,171,724,025	4.21%
Midvale City	2,363,336,028	8.49%
Millcreek City	5,675,214,848	20.38%
Riverton City	3,401,242,120	12.21%
Salt Lake County Unincorporated	5,063,126,841	18.18%
Taylorsville City	3,637,908,383	13.06%
White City Metro Township	257,643,776	0.93%
TOTAL	27,851,028,450	100%

Table 2. POPULATION PERCENTAGE

<u>Municipality</u>	<u>Population</u>	<u>% of Total</u>
Millcreek City	60,308	14.29%
Taylorsville City	59,601	14.12%
Riverton City	44,231	10.48%
Herriman City	42,981	10.18%
Kearns Metro Township	35,242	8.35%
Eagle Mountain City	34,632	8.21%
Midvale City	34,263	8.12%
Cottonwood Heights City	33,626	7.97%
Holladay City	31,110	7.37%
Magna Metro Township	27,450	6.50%
Salt Lake County Unincorporated	10,193	2.42%
White City Metro Township	5,599	1.33%
Emigration Metro Township	1,623	0.38%
Copperton Metro Township	812	0.19%
Alta Town	378	0.09%
TOTAL	422,049	100.00%

Source: Kem Gardner Policy Institute, University of Utah

Salt Lake and Utah County Subcounty Estimates

Subcounty Estimates Data (Excel Format) / City-Population tab / Total Population column

Table 3. WEIGHTED VOTING PERCENTAGES

Member	POPULATION	MEMBER FEE	WEIGHTED VOTE
Millcreek City	14.29%	17.97%	16.13%
Taylorsville City	14.12%	11.52%	12.82%
Riverton City	10.48%	10.77%	10.62%
Herriman City	10.18%	8.47%	9.33%
Salt Lake County Unincorporated	2.42%	16.03%	9.22%
Midvale City	8.12%	7.48%	7.80%
Cottonwood Heights City	7.97%	6.89%	7.43%
Eagle Mountain City	8.21%	6.15%	7.18%
Kearns Metro Township	8.35%	4.31%	6.33%
Holladay City	7.37%	4.67%	6.02%
Magna Metro Township	6.50%	3.71%	5.11%
White City Metro Township	1.33%	0.82%	1.07%
Emigration Metro Township	0.38%	0.84%	0.61%
Alta Town	0.09%	0.28%	0.18%
Copperton Metro Township	0.19%	0.11%	0.15%
TOTAL	100.00%	100.00%	100.00%

POLICY:

The Board of Unified Fire Authority finds the following:

1. The training rooms and associated equipment located in UFA fire facilities constitute assets constructed and acquired with public funds and their use must be consistent with the public trust in which they are held. For facilities acquired with bond funds the use must be consistent with the terms of the bond indentures and all applicable federal regulations to protect the tax exempt status of the bonds. In addition, use of the facilities and equipment must be consistent with the needs of the department.
2. It is the policy of the UFA that fire department facilities shall be first dedicated to the needs of the department, and when otherwise available, may be used for ~~government sponsored the~~ uses provided for in this policy. ~~Use of the facilities and equipment by individuals or for profit organizations is strictly prohibited. Use of the facilities and equipment by non-profit entities is prohibited unless such use constitutes government sponsored use.~~
- ~~3. It is the policy of UFA that government sponsored use shall be those functions and activities that a governmental entity determines are associated with the accomplishment of the governmental entity's purpose.~~
- ~~4.3.~~ It is the policy of the UFA that use of UFA facilities shall be at no cost to the UFA and reasonable fees shall be charged sufficient to cover all costs associated with the use of UFA facilities ~~for all government sponsored use~~ by third parties.

Purpose and Intent

In enacting this section, it is the purpose and intent of the Board to provide guidance to UFA personnel, governmental entities, and the public regarding the conditions of and procedures for use of UFA facilities that are appropriate for public use.

Definitions

1. Departmental Use – the use of UFA facilities and equipment by the Department.
- ~~1.2.~~ Member Use – the use of UFA facilities and equipment by a UFA Member entity.
- ~~2.3.~~ Government Sponsored Use – the use of Departmental facilities and equipment by another governmental entity or a non-profit entity performing a function necessary to a governmental entity and whose use is sponsored by that governmental entity.
4. Quasi-Governmental Use – the use of Department facilities and equipment by a body or entity sponsored or supported by a governmental entity to assist the entity in performing governmental functions. Examples of a quasi-governmental use is the use of facilities by a community counsel or advisory body.

5. Non-Profit Use – the use for civic purposes of Department facilities and equipment by a duly recognized non-profit entity under state and federal law under limited circumstances and under specific restrictions.

6. Limited-purpose Public Use – the use for civic purposes of Department facilities and equipment under limited circumstances and under specific restrictions by individual members of the public.

7. Commercial Use – the use of Department facilities and equipment by a for-profit entity or for commercial purposes.

8. Political Use – the use of Department facilities and equipment by partisan political entities or for partisan political purposes.

9. Personal Use – the use of Department facilities and equipment for personal use, such as parties, weddings, etc.

3.10. Facility Use Agreement – an agreement between a ~~governmental entity~~ third party user and the UFA that governs the conditions of use of UFA facilities and related equipment.

11. Sponsor – a governmental entity sponsors a ~~non-profit~~ use of a Departmental facility if it submits a written request for such use to the UFA, pays the fees for such use and such use is pursuant to the written facility use agreement between the governmental entity and the UFA.

4.12. Facilities and Equipment- mean those areas of UFA facilities, and attendant equipment, that are suitable for non-departmental use by government entities and other third-party civic purposes such as community rooms, classrooms, and conference spaces.

Scope of Use

1. Commercial, Political, and Personal Use of UFA facilities and equipment is prohibited.

2. For other uses provided for in this Policy, each UFA Member entity will evaluate the UFA facilities within its municipal boundaries and determine the desired scope of use for designated areas within each facility. UFA facilities outside the municipal boundaries of member entities will be evaluated and designated by the UFA.

3. Such determination will identify the uses described in this Policy that the Member entity wishes to allow in the designated areas of the facility. Once such a determination is made, the UFA, in consultation and agreement with the UFA Member and UFSA (if applicable), will create specific usage policies for that facility, including any and all

restrictions and limitations on such usage. Once agreed upon, such usage policy will become applicable to the facility until revised or revoked by either the UFA or Member entity.

Priority of Use

The primary use of UFA facilities and related equipment is for departmental use. All other uses are subordinate to this primary use. UFA may restrict, cancel, or prohibit any such use by governmental, quasi-governmental, or limited-purpose public use based upon the needs of the department in its sole discretion and at any time. The ~~second~~ priority for scheduling the use of UFA facilities and related equipment- after such primary use, and if determined to be an approved use as provided for above, is as follows:

1. Member Use of the UFA Member in which the facility is located.
2. Member Use of another UFA Member.
3. Government-sponsored Use by the UFA Member in which the facility is located
4. Government-sponsored Use by another UFA Member.
4. Quasi-governmental Use of the UFA Member in which the facility is located.
6. Quasi-governmental Use involving another UFA Member.
7. Government-sponsored or Quasi-governmental Use by a non-member governmental entity.
8. Non-profit or Limited-purpose Public Use.

~~is for programs and activities of a UFA member entity. The third priority for scheduling the use of UFA facilities and equipment is for programs and activities of a non-member governmental entity. The fourth priority for scheduling the use of UFA facilities and equipment is for government sponsored uses of UFA member entities. The fifth priority for scheduling the use of UFA facilities is for government sponsored uses of non-member governmental entities. The UFA, at its sole discretion, reserves the right, after consultation with the governmental entity, to cancel or modify Priority 2-5 usage-reservations if the facilities are required for UFA purposes.~~

Fees

The Fire Chief or designee shall establish reasonable fees for non-UFA use of UFA facilities and related equipment and update those fees regularly so that the UFA incurs no expense for their use.

Admission fees may not be charged by the user of facility by the governmental entity or the sponsored user for admission to the facility. ~~Sales of products or services are not permitted on UFA property.~~

Facility Use Agreements

Each ~~governmental entity third-party~~ desiring to use UFA facilities and related equipment shall enter into a written Facility Use Agreement with the UFA setting forth

the conditions of use. An entity may enter into a single master agreement covering all entity usage or entity sponsored usage. Each agreement shall protect the UFA from liability arising out of the facility usage, injury or damage to the facility and UFA equipment, provide for adequate supervision and/or security for individuals using the facility, preparation of the facility for use, maintenance and cleaning of the facility, interruption or cancellation of use, separation of activities from office and living space of UFA employees and facility and equipment fees.

Termination and Cancellation of Use

Fire Stations and related facilities, by their nature, are subject to interruptions in staffing and/or emergency usage requirements. No Facility Use Agreement may unconditionally guarantee the condition or possession of the facilities or that the usage of a facility will not be interrupted. The UFA reserves the right to cancel or terminate facility usage if necessary.

Reservations

Reservation requests shall be made in writing to the ~~Community Services Bureau~~ _____ of the UFA which shall coordinate the scheduling with the Division Commander of the division in which the facility is located.



Unified Fire Authority

2019 Accomplishments, Wicked Issues, and Initiatives

The UFA continued to make significant advances in 2019. This document represents the progress on the strategic goals, statistics related to services provided, existing wicked issues, and 2020 key initiatives. Staff will begin holding community meetings in the fall of 2021 to develop the 2021-2023 Strategic Plan with a target adoption of a new plan by January 2021.

GOAL 1 – Best Practices

Establish best practices that ensure UFA is operating effectively and efficiently to both minimize the risks in the community and provide value for our member agencies.

- Implemented the single medic system making all response apparatus ALS.
- Approved an additional 15 new FTE's so far to convert five part time EMS seats per day to full time firefighter positions, making six of the nine 24 hour ambulances staffed with full time Firefighters.
- UFA received a "Clean Audit" with no findings or compliance issues on the FY 18/19 Financial Report
- UFA received the Government Finance Officers Association Budget Presentation Award
- Initiated a review of our Insurance Services Organization rating, anticipating an improvement from a Class 3 to a Class 2.
- Implemented the Fleetio Fleet Management Software improving the information flow and tracking of all vehicle maintenance
- Implemented the electronic Check-It Controlled Substance Program to assist in meeting our requirements from DEA and improve accountability
- Contracted out our Information Technology Services to Les Olsen.
- After more than a year of working on the quality of our data, the Intterra system began to be used effectively for routine data analysis, municipality reporting, and live situation and resource tracking
- Placed a new peak load ambulance in Eagle Mountain and Herriman
- Relocated an ambulance to staff Station 120 in Riverton after reviewing a deteriorating response time in that portion of the city.
- Successful Transition To National EMT Licensure System
- Part of the implementation of the National Mutual Aid System
- CCTA work
- Enhanced and streamlined the procurement process with the hiring of a centralized Purchasing Manager

GOAL 2 – Capital Plan

Establish a realistic long-range capital plan to maintain and replace UFA fleet, facilities, and equipment.

- Capital Expenditure plan was updated in the budget and continues to provide long term sustainability to the larger purchasing needs.
- Four new Battalion Chief vehicles and X Heavy Apparatus Into Service
- Replaced all Mobile Data Tablets, providing two for each apparatus
- Completed Seismic Evaluation of fire stations and applying for grant funds to complete the structural and non-structural improvements



Unified Fire Authority

2019 Accomplishments, Wicked Issues, and Initiatives

- Established a rendering and floor plan for both 6 person and 10 person stations as UFA prepares to construct 6-7 new stations in the coming years.

GOAL 3 – Culture and Pride of Ownership

Ensure that UFA staff continue to value the importance of being nice, competent and professional when engaging with the community.

- Continued to focus on the quality of our Hiring Process by meeting monthly to help coordinate and find the best possible candidates to join our agency
- Hosted a leadership discussion for General Staff and IAFF Leadership with Professor Bendersky from UCLA on culture in the fire service, learning from her research with Metro agencies in California
- Continued with questions for the Chief videos and established a weekly pod cast on a variety of topics for both UFA staff and external partners.

GOAL 4 – Professional Development

Ensure personnel are provided a clear picture of what constitutes exceptional performance for their current position and identifies professional growth opportunities to prepare for future positions in the UFA.

- Delivered an additional leadership cohort, several personnel on the Acting Captain list were able to complete the training in preparation for their promotion to Captain
- Hosted leadership roundtables for Command Staff, General Staff, and IAFF Leadership at the Admin Building with:
 - Fire Chief's from Orange County Florida and Tualatin Valley Fire and Rescue discussed their leadership style and as leaders in the International Fire Chiefs Association and Metro Fire Chiefs Association, identified the current issues in the national fire service.
 - Mark Smith from Mission Centered Solutions discussed how the UFA might formalize it's move to Mission Driven Culture
 - Women Fire Chiefs from Mesa, Toledo, Virginia Beach, and Lexington met with UFA Women Firefighters and then the UFA leadership team to discuss effective leadership and how we can help our women firefighters be successful
- Administered an Assistant Chief promotional process designed to both select AC Watson's replacement and to prepare interested Chief Officers for a future opportunity
- Began the process of implementing the FYI Leadership Competencies; adopting the top competencies for Assistant Chief and Captain.
- Battalion Chief Boot Camp delivered with over 20 attendees
- Promotional eligibility lists established for Battalion Chief, Engineer, Heavy Rescue Specialist, and Haz Mat Specialist.



Unified Fire Authority

2019 Accomplishments, Wicked Issues, and Initiatives

GOAL 5 – Stakeholder Engagement

Ensure UFA is providing meaningful communication and interaction with stakeholders to establish partnerships in the reduction of risk and to provide increased opportunities for them to engage in discussions on service delivery.

- Worked thoughtfully to adopt a fully revised and restated Interlocal Agreement that found consensus among all the communities.
- Worked closely with firefighters and the community to design a new station 112
- Held two meetings with UFA Service Area City Managers and Chief Finance Officers to ensure the UFA was helping them meet their city goals

GOAL 6 – Employee Investment

To value human capital and ensure the well-being of our personnel.

- Employees at top step received a 10.7% wage increase to reach the "Top 3" target that was identified last year by the Board of Directors
- Supported and testified on behalf of a restructure of Tier 2 Retirement that will provide for a 2% per year of service multiplier instead of a 1.5% multiplier beginning July 1, 2020.
- Drove legislation that recovered funding for the Tier 1 firefighter retirement system that would have impacted the UFA \$1.1 million annually.
- Secured a \$422,000 Behavioral Health Grant with a focus on baseline assessments, peer support training, and occupational trauma therapy.
- Trained X UFA personnel in Peer Support to assist with our mental health
- Adopted the final version of the Professional Development Plan
- Organized a team to develop a new Annual Evaluation Process, with a focus on self-evaluation and employee development.

2019 Statistics

- x Total Incidents
- x Total Unit Responses
- x Total Fire Inspections
- x Total Fire Investigations and x Explosives-related responses
- x Total Community Events and x Station Tours
- x Wildland Deployments, covering x states
- x US&R Deployments of x total personnel to x hurricanes
- x EMAC deployments to California
- x Enhanced Watch ECC activations, x Level III ECC activations
- 25 New Firefighters hired and trained
- X Promotions
- 52 Part-time EMS Staff hired and trained in three recruitments, 34 remain with UFA



Unified Fire Authority

2019 Accomplishments, Wicked Issues, and Initiatives

Wicked Issues

- Maintaining wages for the sworn staff to the top three compared to the largest 15 fire agencies on the Wasatch Front.
- Meeting the variety of expectations from all cities and townships while ensuring they achieve the value of the regional model.
- Balancing the increase cost and demand for service with the desire to keep member fees and taxes low.
- Incorporation of Brighton potentially reducing the recreational fee provided by the County by as much as \$1.8 million.
- Maintaining minimum staffing levels with an ever increasing demand on overtime.
- Heavy reliance on part time staffing causing challenges in maintaining a sufficient roster to fill all daily vacancies.
- The speed of change in relationship to the overall impact on the organization, including the introduction of a massive change to the EMS delivery model.

2020 Key Initiatives

- Develop a new three year community based strategic plan
- Begin a more formal approach to a Mission Driven Culture in the UFA
- Consider options to find a sustainable plan for maintaining minimum staffing
- Continue adding additional career firefighter positions to reduce the dependence on the part time program.
- Enhance a smaller Part Time EMS program through the selection process, training, and effective leadership.
- Work closely with the new town of Brighton while we address the potential impact of losing as much as \$1.8 million in recreational fees from the County with their incorporation.
- Support the UFSA plan for five new stations and seismic retrofit of 13 fire stations.
- Continue advancing our efforts toward the stated goals and outcomes identified in the Strategic Plan.