



UNIFIED FIRE AUTHORITY BOARD FINANCE COMMITTEE MEETING MINUTES

November 30, 2022

Meeting was held both electronically via Zoom Webinar/UFA Headquarters

Committee Members Present:

Council Member Perry

Mayor Dahle

Council Member Henderson

Council Member Bailey

Council Member Harris

Mayor Silvestrini

Marcus Stevenson

Council Member Stewart

Mayor Weichers

Staff:

Chief Burchett

CFO Hill

Cyndee Young

CLO Roberts

Guests:

Aaron Whitehead

Brad Larson

Calogero Ricotta

Courtney Samuel

Debbie Cigarroa

Deputy Mayor Kanter

Dustin Dern

Erica Langenfass

Jill Tho

Kate Turnbaugh

Kelly Bird

Kiley Day

Kimberly Ruesch

Lana Burningham

Marcus Arbuckle, Auditor

Mayor Overson

Mayor Westmoreland

Nile Easton

Rachel Anderson

Richard Rich

Riley Pilgrim

Shelli Fowlks

Stephen Higgs

Steve Quinn

Zach Robinson

Meeting called to order by Chair Stewart at 8:29 a.m.

Public Comments

None

Public comment was made available live and with a posted email address

Minutes Approval

Mayor Weichers moved to approve the minutes from the August 29, 2022 Finance Committee Meeting as submitted

Council Member Henderson seconded the motion

All voted in favor, none opposed

Review/Approve Fiscal Year 21/22 Financial Report and Audit – CFO Hill

- ◆ Auditor Marcus Arbuckle reviewed the audit
 - ◆ There were no findings
- ◆ There were no questions from the Committee

Mayor Silvestrini moved to approve the FY21/22 Financial Report and Audit as presented

Council Member Henderson seconded the motion

All voted in favor, none opposed

Review proposed Exhibit A to the UFA/UFSA Interlocal Agreement for Services for Calendar Year 2023

– CFO Hill

- ◆ CFO Hill reviewed the work completed on behalf of UFSA by UFA employees
- ◆ Much of the increase in costs are attributed to the changes in compensation and construction projects
 - ◆ CFO Hill explained that there should be a decrease in cost/time for the Facilities Manager and the Logistics Chief once the construction projects have been completed
- ◆ Council Member Weichers asked as to how the time is tracked
 - ◆ CFO Hill explained that, as directed by the Board, there is no formal timecard tracking, staff regularly reviews their time spent on work for UFSA

Mayor Weichers moved to approve Exhibit A to the UFA/UFSA Interlocal Agreement for Services for Calendar Year 2023

Mayor Silvestrini seconded the motion

All voted in favor, none opposed

Capital Replacement Plan Review – Chief Burchett

- ◆ UFA staff has been working to determine how to improve the use of the Capital Replacement Fund and to find a sustainable path forward
- ◆ All assets have been reviewed and the life span has been anticipated for the coming 10-15 years
- ◆ The ending fund balance percentage was identified at 75% of the total debt service payment
- ◆ The best way to transfer monies from the general fund used for cash purchases and the smoothing of the capital replacement fund was determined
 - ◆ The unassigned excess general fund monies will no longer just be transferred to the capital replacement fund
 - ◆ They will be used for upcoming cash purchases and helping to get the capital fund to the targeted amount
- ◆ Work will take place annually to determine and address the needs and costs
- ◆ Council Member Henderson stressed that the focus should shift to a more precise calculation based on life span and then build this into the budget
 - ◆ This life span will then be accounted for and recalculated with inflation and that is what will determine the fund balance, which in turn provides the emergency fund
 - ◆ The second focus should be to identify the true replacement costs
- ◆ Mayor Silvestrini stated that the purpose of having the fund balance is to smooth out the unexpected expenses
 - ◆ There needs to be an objective cushion and to keep the fund within parameters
- ◆ Council Member Henderson stated that there needs to be a way to determine the actual cost, there needs to be a contingency factor, but don't look at the replacement fund as "extra"
 - ◆ The 75% isn't sustainable moving forward, a more precise number should be determined once the life spans are calculated

- ◆ Council Member Stewart suggested a terminology change, but the point is a basis to evaluate stability of an organization
- ◆ Mayor Silvestrini agrees, this would make sense for future board members and would provide consistency, a guideline such as this is important
- ◆ Council Member Henderson expressed his concern about the methodology, and it makes more sense to focus on the replacement costs
- ◆ More discussion was had regarding how best to address inflation and interest
- ◆ Mayor Silvestrini explained that the system shouldn't be stressed and the 75% is a reasonable target to work toward gradually
- ◆ Chief Burchett stated that inflation and interest will be captured and the 75% target will adjust as new leases are taken on
 - ◆ The goal is to enable staff to move forward with the coming budget season while work continues on determining the correct percentage to work toward
- ◆ Council Members agreed to hold the 75% for now, but with the understanding that work continues on the methodology

Investment Options – CFO Hill

- ◆ At a past meeting, investment options were discussed
- ◆ CFO Hill explained that UFA uses the PTIF which is standard for government
- ◆ The Committee discussed the benefits the PTIF provides
- ◆ It was also mentioned that some entities are pursuing safer options with a recent push by the PTIF for higher yields
- ◆ CFO Hill also stated that the operating cash that is moved monthly to Wells Fargo is earning interest as well
- ◆ There was no more discussion regarding investment options

Appointment of New Finance Committee Chair – Chair Stewart

Chair Stewart nominated Council Member Henderson as the Finance Committee Chair

Council Member Henderson accepted

Mayor Silvestrini seconded the motion

Roll call vote taken

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|-------------|---|
| Dahle | Y |
| Bailey | Y |
| Harris | Y |
| Henderson | - |
| Perry | Y |
| Silvestrini | Y |
| Stevenson | Y |
| Stewart | Y |
| Weichers | Y |

Closed Session

- ◆ None

Mayor Silvestrini moved to adjourn the November 30, 2022 UFA Finance Committee Meeting

Council Member Henderson seconded the motion

All voted in favor, none opposed