UNIFIED FIRE AUTHORITY BOARD
FINANCE COMMITTEE MEETING MINUTES
Tuesday, April 3, 2018 at 8:00 a.m.

In Attendance:
- ✓ Councilmember Stewart
- ✓ Mayor Dahle
- ✓ Councilmember Perry
- ✓ Mayor Sondak
- ✓ AC Watson
- ✓ Mayor Silvestrini
- ✓ Mayor Peterson
- ✓ Chief Petersen
- ✓ AC Andrus
- ✓ CFO Hill
- ✓ CLO Roberts

- ✓ Board Clerk Roper
- ✓ Kate Turnbaugh
- ✓ Arriann Woolf
- ✓ Steve Ball
- ✓ Layne Hilton
- ✓ Lana Burningham
- ✓ Nyla Benedict
- ✓ Michelle Peterson
- ✓ Bradley Larson
- ✓ Jarin Blackham
- ✓ Jenni Petersen

Absent:
- ✓ Mayor Hale

Meeting called to order by Chair Stewart at 8:04am

No Public Comments

Chair Stewart asked for a motion to approve the minutes from the December 6, 2017 Finance Committee Meeting as submitted. Motion made by Perry, 2nd by Silvestrini, all approved

Presentation of FY 18/19 Proposed Budget
Chief Petersen presented the budget message and reviewed the major accomplishments and wicked issues for the past year. Reviewed upcoming proposed member fee increase, major new impacts to the budget and how these impacts are being managed, current fund balance and what will be done to manage the balance. Goals for the upcoming year include more site visits, instructional training, vehicle allowance program, capital replacement plan, community survey, professional development plan, stakeholder engagement, city meetings, liaison program, employee investment and an incident safety officer program.

Chief Petersen reviewed the next steps and outlined upcoming dates:
April 17, 2018 – FY 18/19 Updates to Board Meeting
May 1, 2018 – Division Budget presentations at Finance Committee
May 15, 2018 – Board adopts tentative budget
June 19, 2018 – Board adopts final budget

<u>Budget Book Overview</u>
CFO Hill reviewed the different components and breakdown for each division within the budget book that include accomplishments, outcomes, action items and performance measures.

<u>Questions & Comments:</u>
Mayor Peterson stated he is very impressed with the information that was put together.

Chair Stewart asked if all the old lease items are in, is there anything outstanding?
CFO Hill stated that we have until end of May. Waiting on two type 1's and a tiller to be delivered.

Chair Stewart asked if these will have any impact to this budget?
CFO Hill stated it will just affect the lease payment.

Mayor Peterson asked about money being taken from the fund balance, is it done annually or a onetime thing and how does it impact future budgets when using that revenue source?

Chief Petersen stated there is a target to maintain an 8.5% fund balance (statutory is 5%). Every year there is unexpended fund balance that is returned to the member. This year and last year's budget is significantly tighter with not as much contingency built into each line item. Anticipates seeing money each year that does not get spent which would be credited back to the members.

Mayor Sondak asked what the current rate is on the loans

CFO Hill stated that the current rate is 2.02% on the current outstanding loan. With rates change rapidly, will be going out in the next few months to look at new rates but will depend on the market and doubtful we will be able to get a 2.02% again.

Chief Petersen would like to fund the capital plan with cash but realizes that is not realistic. Looking to put $675,000 from surplus sales towards the capital plan to help reduce the loan.   In the future, once 8.5% has been stabilized will discuss putting additional fund balance into capital fund to buy down the debt.

Mayor Sondak asked if the debt is secured by assets or member revenues?
CFO Hill stated it's by assets that are being purchased such as tiller trucks and engines, those are the collateral.
Chief Petersen stated there is small amount of capital that can be in each division but it is not part of the capital replacement program.

No Closed Session

Chair Stewart asked for a motion to adjourn the April 3, 2018 Finance Committee Meeting at 8:46am.
Motion made by Silvestrini, 2nd by Peterson, all approved.

Recorded by Board Clerk Michelle Roper