



UNIFIED FIRE AUTHORITY FINANCE COMMITTEE AGENDA

Thursday, April 15, 2022, 9:00 a.m.

NOTICE IS HEREBY GIVEN THAT THE UNIFIED FIRE AUTHORITY FINANCE COMMITTEE SHALL ASSEMBLE FOR A MEETING AT 3380 South 900 West, Salt Lake City, UT 84119

THE PUBLIC MAY ATTEND PHYSICALLY OR ELECTRONICALLY VIA ZOOM WEBINAR:
<https://us06web.zoom.us/j/91681046879?pwd=MEtoVmtwRG95ZFYrV0J3TUZtZUNBdz09>
Password: 8675309

1. Call to Order - Chair Stewart
2. Public Comments
Please limit comments to three minutes each
There are three options for comments during this meeting:
 - a. In-Person.
 - b. Live during the Webinar by logging in as described above. If you wish to make a comment, select the “Raise Hand” button at the bottom of the screen. You will then be added to the que and invited to speak.
 - c. EMAIL: Public comments will be accepted prior to the meeting via email at publiccomment@unifiedfire.org until 7:00 a.m. April 14, 2022. Emailed comments submitted prior to 7:00 a.m. April 14, 2022, will be read or summarized into the record, comments received after the deadline will be forwarded to the UFA Board, but not read into the meeting record or addressed during the meeting.
3. Minutes Approval - Chair Stewart
 - A. December 17, 2021
4. Budget Message – Chief Burchett
5. Budget Document Overview - CFO Hill
6. Budget Schedule
 - a. April 19 – Update at UFA Board Meeting
 - b. May 6 – Division Budget Presentations to Finance Committee, Recommendation to Board
 - c. May 17 – Board Adopts Tentative Budget
 - d. June 21 – Board Adopts Final Budget
7. 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

8. Adjournment – Chair Stewart

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 electronically to allow a member of the UFA Finance Committee 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 14th Day of April, 2022 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.

Cyndee Young, UFA Board Clerk



UNIFIED FIRE AUTHORITY BOARD FINANCE COMMITTEE MEETING MINUTES

Friday, December 17, 2021, 10:00 a.m.

Meeting was held both electronically via Zoom Webinar/UFA Headquarters

1. Call to Order
Meeting was called to order by Chair Council Member Stewart at 10:07 a.m.
2. Public Comments
No public comment
3. Minutes Approval - Chair Stewart
Chair Stewart seeking a motion to approve the May 6, 2021, Finance Committee Meeting Minutes
Mayor Silvestrini moved to approve the minutes from the May 6, 2021, Finance Committee Meeting as submitted
Council Member Perry seconded the motion
Verbal vote taken. All in favor, none opposed
4. Discussion of Budget Impacts in FY21/22 and Projections for FY22/23 – Chief Petersen
Issues impacting the budget
 - Staffing for sick leave-We are seeing an average of 1.5 extra positions of sick in staffing daily-This is partly covid and partly fatigue. Chief is hoping this increase is temporary. However, he would like to be prepared if it becomes our new normal. The financial cost to fill these positions is between \$500,000-600,000 per year. This is a new impact to the budget
 - Fuel forecast- We have been within the target area. We don't want to over forecast or be too conservative. We are anticipating \$160,000 over budget
 - URS reductions- There is a \$230,000 savings with the reduction in URS
 - Ambulance Revenue- Coming in strong. We will have good projections for the next finance meeting
 - Relieve Stress/Maintain Sustainability-
Our crew members would like to work a little less overtime. To achieve this, we will need to add 12 new firefighter positions to help with staffing. This will be offset by a reduction in overtime but will cost an estimated \$240,000. (approximately \$20,000 per person)
 - Time needed for training impacts us this fiscal year, but we will see the benefit when they start shifts
 - We are overhiring by 6 more than normal for the February academy and six more in June which will impact the budget
 - Budget Needs- We need to have roughly 2.5 million in under expend for next year's budget. Chief is asking all Divisions to watch their spending carefully and drop any programs that can be delayed to a future budget year. Chief is hoping for this but preparing committee this

could be a challenging target to hit with the increased sick leave from Covid and the inflationary increases on fuel and other items.

The billing for replenishing the capital fund may be required for use in the General Fund to help meet the budget target for FY22/23.

- Focus for upcoming year-
Maintaining market position
Manage inflation
Target at least a 3% CPI
Manage fuel and inflationary items
 - Chief has discussed a 5 ½% budget increase. The increase will cover the focus items for the fiscal year. There may not be space for additional issues inside the budget
- Wage Comparable Tables-
HR will update the wage comparable tables in January
We will be looking to see how other fire department made adjustments in January

Chair Stewart mentioned that fuel and other inflationary products have had a very large impact on business. The increases are not a surprise

5. Review/Approve Fiscal Year 20/21 Financial Report and Audit – CFO Hill

Phyl Warnock with Keddington & Christensen LLC joined meeting to report on the Financial Audit
An audit does not relieve the finance committee of responsibilities
No significant difficulties encountered during the audit. No material uncorrected financial statement misstatements. No disagreements with management. No material corrected statements brought to the attention of management as a result of the audit

- Opinions, refer to page 4 of the audit report
- Internal Control-refer to page 54 of the audit report
 - Mayor Silvestrini- Confirming we have not crossed the threshold in respect to federal grants that require a federal single audit?
 - Phyl Warnock confirms no federal single audit is required

CFO Hill recommends review of page 16 of audit and the Statement of Revenue and Expenditures. These tell a good story of the fiscal year's finances

Chair Stewart asks for a motion of approval

Mayor Silvestrini made motion to approve the Fiscal Year 20/21 Financial Report and Audit as presented

Mayor Sondak seconded the motion

Verbal vote taken

All in favor. None opposed

CFO Hill asked for Chair Stewart's direction in presenting this to the UFA/UFSA Board next week.

Decision made to have Chair Stewart and CFO Hill present this to the board.

6. Review Proposed Exhibit A to the UFA/UFSA Interlocal Agreement for Services for Calendar Year 2022 – CFO Hill

- This is revenue to UFA- Expenditure to UFSA. Documents UFA Employees and time allocated to provide service for UFSA
- Note an increase due to construction/projects-

- Questions- Chair Stewart wants to ensure the seismic improvements have been properly accounted for regarding UFA/UFSA buildings
 - CFO Hill- DC Robinson has been very good at balancing cost
- Council Member Perry- With increased time on UFSA construction projects, is this hindering work accomplishments for UFA?
 - Chief Petersen- Staff is aware of the impact on their time for these projects and has reduced the expectation to work on UFA projects. We recognize this is for a limited time, but it is the best use of resources at this point in time.

Chair Stewart seeking a motion to approve Exhibit A to the UFA/UFSA Interlocal Agreement
 Mayor Silvestrini moved to approve Exhibit A to the UFA/UFSA Interlocal Agreement for Services for Calendar Year 2022

Mayor Petersen seconded the motion

Verbal vote taken

All in favor. None opposed

7. Possible Closed Session

No closed session needed

8. Mayor Peterson asked for clarifying information regarding agenda item 4.

- With projections going forward for budget impact, do you expect the member fee to be in the 5 ½% range as well?
 - Chief Petersen- To maintain wages in the top 3 category, he believes the member fee will be at the 5 1/2 % level. His concern is how the wage analysis looks in January. The analysis was moved up a few months purposely. He would like to get a snapshot so we can prepare for inflation and wage issues. Please consider it preliminary until we have a clear picture of what it will take to hold on to the top 3 wage
- Mayor Silvestrini- Does that include the COLA?
 - Chief Petersen- Targeting a 3% COLA, however, CPI will be much greater than that. Benefits and Compensation will have to determine how close we try to reach the CPI. To maintain market, we need about 1.5% to hold on to the top 3%. Overall, a 5 ½% includes inflationary issues, a 3% COLA, and market increases. You may decide to go higher based on the analysis. This is very preliminary.
- Chair Stewart- CFO Hill has been in contact with service area leaders. This has been brought up in his area meetings as something to be prepared for

9. Adjournment

Chair Stewart seeking for a motion to adjourn

Mayor Silvestrini moved to adjourn the December 17, 2021, Finance Committee Meeting

Mayor Peterson seconded the motion

Verbal vote taken

All in favor. None opposed

Present:

Chair Stewart

Council Member Perry

Mayor Silvestrini

Mayor Peterson

Mayor Sondak

Council Member Bowen

Chief Petersen

Kate Turnbaugh

CFO Hill

CLO Roberts

Pat Costin

Ryan Love

Steve Quinn

Shelli Fowlks



UNIFIED FIRE AUTHORITY

TO: Finance Committee Members
FROM: Dominic Burchett, Fire Chief/CEO
SUBJECT: Fiscal Year 22/23 Budget Message
DATE: April 15, 2022

I am pleased to present the Fiscal Year 2022/2023 proposed budget for Unified Fire Authority (UFA). This budget has been prepared in accordance with the Uniform Fiscal Procedures Act for Cities (UCA 10-6) as approved by Interlocal Agreement, and is intended to serve as a financial plan, policy document, communication device, and operations guide. This document tells the story of how the UFA is using the public's money to save lives, protect property, and strengthen community relationships. The following proposed budget is structurally balanced for each fund, with projected fund balances at or above the minimum reserve required by state law and UFA policy.

Budget Development

This budget continues to focus on providing quality service, value, and full engagement in the communities we serve. We are your local Fire Department. To provide this value, all divisions have scrutinized their budget to provide essential services to the community. This budget is proposing an overall Member Fee increase of 7.49% to meet the adopted goals and initiatives of the Strategic Plan and the recommendations from the Benefits & Compensation Committee.

This has been an unprecedented year with record increases to CPI across the country and specifically in the Mountain Region where the March 2021 to March 2022 CPI was 10.4%. Because of this, the goals during budget preparation were to keep staff in market, address inflationary costs, as well as only a few critical requests. Many of the budget proposals for this year were paused to maintain focus on these items.

On March 30, 2022, the Benefits & Compensation Committee received and accepted staff's recommendation to include a 7% COLA, based on the record increase in CPI. This COLA will be provided to all employees with 5% applied on July 1, 2022, and 2% applied on January 1, 2023. This increase will be considered part of the employee base wage for comparison in the market.

Sworn employees held their position in the market very well in FY21/22. Overall, the market adjustments averaged 1.53% for all ranks to keep all sworn positions in the "Top Three" of market. The impact to the budget is a .49% member fee increase or \$286,995.

Ambulance revenue is projected to come in approximately fifteen percent higher than anticipated. This is largely due to increased transports, but also changes to the billing rates set by the State of Utah Bureau of EMS. Anticipated additional revenue is \$1.24M.

UFA enjoyed a reduction in health insurance costs by two percent, providing a savings of \$106,012. Employees will also see a two percent reduction in their 20% contribution to their health plan. UFA also will see a reduction in retirement costs (Tier 1 Firefighter plan decrease 1%). The total saving of the URS reduction is \$245,000.

Proposed Budget for FY22/23

The chart below shows an overall snapshot of the General Fund.

A portion of the anticipated under expend each year is returned to the members as a discount to the Member Fee. This tool allows divisions to reinforce the importance of managing budget line items appropriately; staff purchases what was approved and leaves the remaining amount to grow fund balance. Approximately \$2.5 million is returned as a Member Fee Credit each year.

The surplus fund balance will be used to bring the ending fund balance back to 8.5% and the remainder totaling \$1,030,850 will be transferred to the Capital Fund.

AVAILABLE REVENUE	
Member Fee: 7.49% increase	63,067,359
Ambulance Revenue: 15.31% increase	10,300,000
Other Revenue: 2.45% increase	5,403,804
Under Expend from Previous Fiscal Year:	2,473,601
Total Available Revenue	81,244,764
EXPENDITURES	
Total Personnel: 8.2% Increase	66,092,256
Total Non-Personnel: 5.0% Reduction	10,764,757
Transfer to Capital Fund 8.2% Increase	3,971,303
Warehouse Loan, Capital Outlay, Net Transfers	416,448
Total Expenditures	81,244,764
FUND BALANCE	
Beginning Fund Balance	10,200,000
Under Expend from FY21/22 Returned to Members	2,473,601
8.5% Ending Fund Balance	6,695,549
Surplus Fund Balance - Transfer to Capital Fund	1,030,850

Key Budget Impacts for FY22/23:

Staff has identified several key items that impact this year's budget. This table represents a majority of the adjustments to the proposed FY22/23 budget.

DESCRIPTION	DEMAND ON MEMBER FEE	% INCREASE (DECREASE)
URS Savings: Reduction in Tier 1 FF of 1% and 0.5% in Tier 1 & 2 CIV. Tier 2 increase is covered by the 6% contribution.	(\$245,000)	-0.42%
Increased Ambulance Revenue: Anticipated increase in collections with BEMS increasing the billing rate (Less the increased cost for billing and Medicaid assessments)	(\$1,244,383)	-2.12%
Health Insurance Savings: 2% decrease with 80% paid by UFA and 20% paid by the employee	(\$106,012)	-0.18%
7% COLA for all employees: CPI for the Mountain Region in 2021 was 9.0%. Maintaining our position in market for future years to prevent major swings in market adjustments.	\$3,711,192	6.33%
Delay 2% of CPI increase to Jan 2023: Offset the wage increase impact to the budget by moving this to January.	(\$524,869)	-0.89%
FT Ambulance in Eagle Mountain: Realization of \$191,633 in savings with the elimination of the peak demand ambulance and increased by \$240,876 for the full year cost for new full-time firefighter/medic employees.	\$49,243	0.08%
12 Additional FF FTE's: Additional Firefighters to reduce the overtime demand. Total cost of employees is offset by the reduction of overtime	\$240,000	0.41%
Additional Peak Load Ambulances: This converts one 12-hour peak load ambulance to 24 hours and add a peak load ambulance during the ski season	\$236,076	0.40%
Carryover VEBA costs from 2021/22: The cost the full year of a 2% VEBA contribution	\$380,250	0.65%
Market Adjustments for Sworn and Civilian: This includes a sworn market adjustment of \$286,995, a market adjustment for civilian of \$53,252 and a Paramedic overmarket adjustment to 3% overmarket at \$270,780	\$611,027	1.04%
Additional Mechanic: The additional mechanic will help stay ahead of preventative maintenance and begin to rely less on vendor repairs.	\$94,508	0.16%
Capital Fund Transfer: Increase in the transfer to the Capital Fund to accommodate the third loan for purchases.	\$300,000	0.51%

FY22/23 Capital Replacement Fund

The Capital Replacement Plan identifies all apparatus and equipment, its current cost, estimated life span, and the anticipated date of replacement over the next 10 – 15 years. Most of the purchases in the plan are accomplished through rotating leases, some capital purchases are required to use the cash available in the fund since their life span is less than the lease period. In FY22/23, staff is looking at adding a six-year lease to capture items in the plan that do not have a life span matching other lease terms. This will help spread the costs over a number of years and reduce the reliance on cash.

Beginning in FY21/22, the lease payments were transferred to the Capital Replacement Fund and funded by a transfer from the General Fund. For FY22/23, UFA is proposing to increase the transfer to the Capital Fund to help with lease payments and keep the fund sustainable.

Additional contributions come from the sale of surplus equipment, revenue from billing for apparatus during EMAC deployments, and annual transfers of the General Fund ending fund balance when it exceeds the normal under expend and the dedicated 8.5% fund balance.

REVENUE	
Beginning Fund Balance	\$3,060,000
Contribution from General Fund	\$3,971,303
Sale of surplus apparatus/Interest Income	\$85,000
Transfer of excess General Fund balance	\$1,030,850
Total	\$8,147,153
EXPENSE	
FY18/19 lease payment	\$812,495
FY21/22 lease payment	\$1,583,544
FY22/23 lease payments (split into two lease terms)	\$1,543,196
Delayed purchase from FY21/22 (CPR devices)	\$500,000
Cash Purchases	\$1,943,100
Total	\$6,382,335
Ending Fund Balance	\$1,764,819

Major purchases in the Capital Fund this year include heavy and light fleet replacement. These include four Engines, three Type VI Engines, five Ambulances, additional Mechanic Truck, Wildland Duty Officer truck, and thirteen Staff Vehicles.

In addition, this budget will provide \$2 million for needed improvements to the Fire Training facility, it will allow for replacement of portable handheld radios and two SCBA compressors, as well as allow for upgrades to the IT infrastructure (firewall and WiFi). Finally, it will allow staff to replace our outdated Fire Safety Trailer which is used for public education.

FY22/23 Member Fee

With the proposed 7.49% overall increase to the Member Fee, the following chart displays the breakdown for each member.

FY22/23	COTTONWOOD HEIGHTS	HOLLADAY	HERRIMAN	RIVERTON	UFSA	TOTAL
Number of stations with "first due"	3.00	4.00	3.00	4.00	21.00	
Proportional # of stations	1.71	1.01	1.82	2.11	17.35	24.00
Percent of total member fee	6.84%	4.36%	7.90%	9.15%	71.75%	100.00%
Member Fee for FY22/23	\$4,312,765	\$2,748,399	\$4,982,648	\$5,769,670	\$45,253,877	\$63,067,359
Percent Increase from FY21/22	7.33%	4.86%	9.77%	6.22%	7.59%	7.49%
Cost Increase from FY21/22	\$294,660	\$127,435	\$443,567	\$338,048	\$3,190,881	\$4,394,591
Difference from 7.49%	(\$6,296)	(\$68,875)	\$103,590	(\$68,781)	\$40,363	\$0

The fee for each member is dependent on the number of stations and the staffing level of the heavy apparatus assigned to those stations (three or four person). When first due areas overlap between members, the percentage of emergency incidents within the member's portion of the first due area, over a three-year period, determines the percentage of that member's use of the heavy apparatus assigned to that station. Ambulances are a regional asset with the cost shared equally among all members.

Holladay and Cottonwood Heights saw a slight shifting of the proportional call volume from these municipalities to the UFSA. This resulted in a slight decrease for these two municipalities and a slight increase for the UFSA.

Herriman's growth and corresponding increase in emergency incidents in Station 103 and 123's first due area is the primary driver for the shifting of cost from Riverton and UFSA to Herriman for the Member Fee. For the three stations serving Herriman, the proportional use for Herriman was 1.68 stations in 2017 compared to 1.82 in 2021.

The total call volume remains within the capability of the crews assigned, however, between 2017 and 2021, Herriman's call volume for Station 123 increased by 80.5% and by 89.9% for Station 103. During that same period, Riverton saw a 5.7% increase in call volume for Station 123 and UFSA experienced a 12.8% decrease in call volume for Station 103. The three-year smoothing will transition more of the cost for these two stations to Herriman over time.

Public Budget Meetings

- **Benefits and Compensation: February 14, 2022, and March 30, 2022**
 - Staff presented Health Insurance information and proposed wage increases, including the introduction of COLA increases and market adjustments.
 - The Benefits and Compensation Committee in the March meeting recommended a 7% COLA increase and recommended the proposed changes to the sworn and civilian market adjustments.
- **Finance Committee: April 15, 2022, and May 6, 2022**
 - Chief Burchett will present the Budget Message and CFO Hill will provide an overview of the budget to Finance Committee Members at the April Meeting
 - Staff will walk the Finance Committee through each portion of the proposed budget at the May meeting, providing opportunity for discussion.
- **Board of Directors: May 17, 2022 @ 0730 hrs.**
 - The Finance Committee and Chief Burchett will present the tentative budget to the Board of Directors for their approval.
- **Board of Directors: June 21, 2022 @ 0730 hrs.**
 - Chief Burchett will propose any amendments to the tentative budget for Board consideration.
 - A Public Hearing will be held, and the Board of Directors will vote to adopt the Final Budget with the proposed amendments (if any).

Closing

This budget has been prepared to provide a long-term sustainable service delivery plan. This budget ensures operational needs are met as UFA continues to effectively provide emergency response and life safety services, while remaining receptive to our patrons and the current economy.

I encourage you to review this budget to learn more about your fire and rescue services. The leadership team has taken ownership of their portion of the budget and would be pleased to discuss their goals and priorities with you at any time. UFA takes pride in providing you with essential services that focus on changing lives for the better in the communities we serve.

Respectfully,

Dominic C. Burchett

Fire Chief / Chief Executive Officer

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