



## **UNIFIED FIRE AUTHORITY BOARD FINANCE COMMITTEE MEETING MINUTES**

August 29, 2022

Meeting was held both electronically via Zoom Webinar/UFA Headquarters

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### **Committee Members Present:**

Council Member Stewart  
Mayor Dahle  
Council Member Henderson  
Council Member Perry

Council Member Harris  
Mayor Silvestrini  
Marcus Stevenson  
Mayor Weichers

### **Committee Members Absent:**

Council Member Bailey

### **Staff:**

Chief Burchett  
CFO Hill

Cyndee Young  
CLO Roberts

### **Guests:**

Calogero Ricotta  
Casey Bowden  
Courtney Samuel  
Kelly Bird  
Debbie Cigarroa  
Mayor Bourke  
Lana Burningham

Brad Larson  
Kimberly Ruesch, public  
Dustin Dern  
Mike Greensides  
Stephen Higgs  
Kate Turnbaugh  
Nile Easton

Riley Pilgrim  
Zach Robinson  
Jay Torgersen  
Mayor Overson  
Mayor Westmoreland

Meeting called to order by Chair Stewart at 3:03 p.m.

### Public Comments

None

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

### Minutes Approval

Mayor Dahle moved to approve the minutes from the May 6, 2022, Finance Committee Meeting as submitted  
Mayor Weichers seconded the motion  
All voted in favor, none opposed

### Review Capital Replacement Plan – Chief Burchett/CFO Hill

- ◆ Chief provided a brief overview of the plan
  - ◆ Chief clarified that the intent is to review that everything included in the plan should in fact, be there

- ♦ Target the Fund Balance amount
  - ♦ Address the transfer of the remaining General Fund amount to the Capital Replacement Fund
- ♦ The list identified everything that the organization considers capital; based on expense or number of items needed
  - ♦ All apparatus, both frontline and reserve
  - ♦ Lifespan
  - ♦ Equipment; radios, SCBA, stretchers, stair chairs, etc.
- ♦ Mayor Weichers asked for clarification on what qualifies for FFE
  - ♦ Chief Burchett stated that this is for the initial purchase of items for the new stations and consists of everything that falls out of the building if you were to turn it upside down
  - ♦ FFE from the stations being replaced are being used to save money
  - ♦ Replacement of items for the stations then become part of the regular Logistics operating budget
- ♦ Council Member Harris inquired as to how the life span is calculated
  - ♦ Chief responded that the heavy apparatus is driven daily, the hope is to get 9-years of use, hence the 9-year financing, but UFA generally gets an average of 13-years
  - ♦ Those apparatus with a 18-20-year life span are not driven regularly and their life span is quite a bit longer
  - ♦ Another question was the accuracy of the actual cost
    - Costs listed are current and include a 2.5% escalation to try to be closer to the actual target, the escalation is not usually included in the budget, but with the recent increases, it has become part of the chart
- ♦ Mayor Weichers asked what calculation was used to determine the number of apparatus in reserve
  - ♦ It was explained that it consists of varying methodology
  - ♦ The current aging fleet was one large purchase which is resulting in more hours for maintenance at the same time and the challenge of limited mechanics and shops able to complete the work in a timely manner
  - ♦ The lead-time for new apparatus currently is 600 days, compared to 240-280 days in years past
  - ♦ Council Member Stewart asked if there is a factor for catastrophic need built in
  - ♦ Mayor Dahle inquired as to a protocol for appropriate reserves
  - ♦ Chief stated that catastrophic need is built in and there is an NFPA standard for fire apparatus, but nothing concrete as it depends on use, parts, etc.
    - Work to capture that data has only recently been started
    - There are 2-3 apparatus in use at Fire Training for the new recruits, which can also be pulled for catastrophic events
    - The other apparatus is backstock for frontline repairs
    - Currently there are no reserve apparatus available
    - The extra ambulances are used for events such as rodeos, public events, etc. that the front-line ambulances cannot be used for
    - 10 reserve ambulances probably aren't enough with the aging of the fleet
  - ♦ Council Member Harris suggest that the verbiage could possibly be changed to better define the use of the apparatus
    - Year-round use of the apparatus could be referred to as essential
    - Front line items, but with varying purposes such as the apparatus used at Fire Training
    - Possibly a third column for reserve
    - CFO Hill will make these changes on the chart going forward
  - ♦ Mayor Weichers asked how new station apparatus is incorporated/purchased, does the burden lie on the municipality
    - CFO Hill explained that the member fee for that municipality would be affected based on staffing, the costs beyond that are shared between members

- ♦ Chief Burchett continued to explain that the aging fleet was part of a 2006 mass purchase, there is now a plan to replace a few apparatus every couple years
  - This should be more manageable moving forward now that we are on the tail end of an aging fleet
  - The idea is to ensure that the department doesn't get so far behind again in apparatus purchases
- ♦ Mayor Weichers stated that he is fine with the 1-time FFE for the new stations only and not use the fund for continual replenishment of items within the stations

#### Capital Replacement Fund Memo – Chief Burchett/CFO Hill

- ♦ The memo addresses the other two topics for discussion: the ending fund balance and the General Fund balance transfer to the Capital Replacement Fund
- ♦ This plan is part of a multi-year project to identify capital items, plan replacement, and smooth out the member fee
- ♦ The memo outlines three potential options for identifying the ending fund balance
  - ♦ All options will take some planning, however, a target is needed to move the planning process forward
- ♦ Council Member Stewart suggested having 9-12 months of funds in order to make the debt service payments and feels this is fiscally responsible
- ♦ Mayor Dahle wants consideration for the smoothing of the payment with the challenge of a new amount generated each time a financing debt drops, and another is added
  - ♦ This conversation will be necessary each year to be prepared for the next financing note
- ♦ CFO Hill stated that the under-expend may reduce, but may not ever go away
- ♦ Mayor Dahle asked if the \$3.6M is an appropriate fund balance in the Capital Improvement Fund
  - ♦ CFO Hill mentioned that if so, there needs to be a plan to accomplish this, and wants to ensure the Board is fine with this taking a couple years to accomplish
- ♦ Council Member Henderson pointed out that less than 1-year of reserve balance may be considered
  - ♦ Also, for consideration, the idea of just sweeping the funds over should be reviewed since each member contributes, a formula to refund and a formula for building the fund should be considered
- ♦ Mayor Dahle feels that as long as there are smoothing policies in place for leasing and a cash policy for accumulation over time, he doesn't want to go below the 8.5%, but hasn't an opinion on how much is needed in the Capital Improvement Fund
- ♦ Mayor Silvestrini also expressed his appreciation for a program to set aside debt service amount and would like to see a program, with the guidance of CFO Hill, on what the Capital Replacement Fund Policy should be
  - ♦ The Mayor also stressed that in a recession, property tax collections don't drop off radically, there is no record of this happening, this is a relatively stable revenue source
  - ♦ It does make sense for UFA to have a proposal for an amount to put aside into the Capital Replacement Fund that sets aside 9-months of debt service payments and a plan to get there to avoid having a rollercoaster of capital expenditures
  - ♦ Mayor Silvestrini asked for a snapshot of 6, 9, and 12-month options, how to aggressively initiate this, and what it looks like
- ♦ Mayor Weichers agrees with Mayor Silvestrini but with the potential for another high CPI, we need the ability to cut costs, there may come time where we need to look at different ways to tighten the belt
  - ♦ Mayor Silvestrini stated that would be great, but ultimately the biggest expense is wages and losing personnel isn't an option
  - ♦ Mayor Silvestrini feels that UFA is judicious in cutting costs and does not want to see costs cut on wages/personnel

- Service is one of the most important things we provide to our residents, and they don't want us to cheap-out on it
- ◆ Council Member Harris asked for a forecast of debt services going forward
- ◆ Chief Burchett stated that \$2.5 has been the number that UFA has been looking at and 9-months gets us close to that and should allow for smoothing out in that time frame, staff is just looking for direction
- ◆ The Finance Committee members will take this option as their recommendation to the Board for the final decision

Closed Session

- ◆ None

Mayor Silvestrini moved to adjourn the August 29, 2022, UFA Finance Committee Meeting

Mayor Dahle seconded the motion

All voted in favor, none opposed