



UNIFIED FIRE AUTHORITY FINANCE COMMITTEE AGENDA

August 29, 2022, 3:00 p.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>

Meeting ID: 916 8104 6879

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. August 28, 2022. Emailed comments submitted prior to 7:00 a.m. August 28, 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. May 6, 2022
4. Review Capital Replacement Plan – Chief Burchett/CFO Hill
5. Capital Replacement Fund Memo – Chief Burchett/CFO Hill
6. 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

7. 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 25th Day of August, 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

May 6, 2022

Meeting was held both electronically via Zoom Webinar/UFA Headquarters

Committee Members Present:

Council Member Bailey
Council Member Harris
Council Member Henderson
Council Member Perry
Council Member Stewart

Marcus Stevenson
Mayor Dahle
Mayor Silvestrini
Mayor Weichers

Staff:

Chief Burchett
CFO Hill

Cyndee Young
CLO Roberts

Guests:

Aaron Lance
Aaron whitehead
AC Higgs
AC Pilgrim
AC Robinson
Amanda Lawrence
Anthony Widdison
Ariel Hanson
Brad Larson
Brian Anderton
Brian Case
Calogero Ricotta
Casey Bowden
Clint Mecham
Council Member Hull

Courtney Samuel
Courtney Samuel
David Chipman, public
Dustin Dern
Erica Langenfass
Jay Torgersen
Jill Tho
Kate Turnbaugh
Kiley Day
Kiyoshi Young
Lana Burningham
Lana Burningham
Mayor Overson
Mike Greensides
Mike Watson, public

Nyla Benedict
Pat Costin
Patrick Costin
Richard Clayton
Rob Ayres
Ryan Love
Scotty McNeil
Shelli Fowlks
Steve Ball
Steve Ball
Steve Quinn
Tua Tho
Wade Watkins

Meeting called to order by Chair Stewart at 9:21 a.m.

Public Comments

None

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

Minutes Approval

Council Member Perry moved to approve the minutes from the April 15, 2022 Finance Committee Meeting as submitted

Mayor Weichers seconded the motion

All voted in favor, none opposed

Budget Presentation

- ◆ Introduction and Profile – Chief Burchett
 - ◆ Chief Burchett stated that the budget presented today has an overall increase to the Member Fee of 7.49%
 - ◆ The dates/schedule for approving this budget were reviewed
- ◆ Finance Budget Message – CFO Hill
 - ◆ CFO Hill reviewed the FTE summary for understanding
- ◆ Strategic Plan – Assistant Chief Pilgrim
 - ◆ The Strategic Plan and 2021 Accomplishments were briefly reviewed
- ◆ Member Fee & Weighted Voting – Chief Burchett/CFO Hill
 - ◆ CFO Hill explained how staffing costs, the engine and company and the addition of the shared costs determine Member Fee portion and how the percentage is determined
- ◆ 911 Emergency Transport – Assistant Finance Director Turnbaugh
 - ◆ There are 14 Advanced Life Support (ALS) ambulances to date
 - ◆ The changes suggested convert a 12-hour Peak Load at Station 125 to a 24-hour FT ambulance and also includes the return of the canyon Peak Load during ski season
 - ◆ The base rates are determined by the State of Utah and are based on life support response ALS/BLS (Basic Life Support)
 - ◆ There has been a 29% increase in base rates over last 5 years and a 32% increase in net collections
 - ◆ The estimates for transport revenue have been conservatively estimated for this year
 - ◆ Council Member Stewart questioned the Taxpayer Mix
 - This is based on the number of transports and whether paid or unpaid, how much is held up with billing or disputes and includes self-payers
 - These estimates are both current and future, there are still some outstanding balances from 2021 and older as payment plans are up to 2 years
 - Council Member Stewart asked to see what Medicare requests to be written off, and contractual and hardship write-offs
 - AFD Turnbaugh will prepare a report on this going forward
 - ◆ Mayor Weichers asked as to why only 23% of Medicare is collected
 - Medicare payments are small and the patient is responsible for the copay, the remainder is a contractual write-off
 - We get what we get from the Federal Government and can't bill the patient for difference, the same goes for Medicaid
 - ◆ Mayor Dahle clarified that if only 8.5% of self-pay is collected, that equates to \$1.6M uncollected
 - AFD Turnbaugh stated that this is typical and fluctuates 7-12%
 - Some of this is written off by the hardship application process, the rest is sent to collections and legal channels if the patient has means
- ◆ The following Divisions presented a synopsis of their proposed budgets
- ◆ Office of the Fire Chief – Chief Burchett
 - ◆ Information Outreach – PIO's Costin & Love
 - ◆ Emergency Management – Division Chief Mecham

- ◆ Administration & Planning – Assistant Chief Pilgrim
 - ◆ Administration – Assistant Chief Pilgrim
 - ◆ Human Resources – HR Director Day
- ◆ Finance – CFO Hill
- ◆ Emergency Services – Assistant Chief Higgs
 - ◆ Emergency Operations – Operations Chief Dern
 - ◆ Special Operations – Division Chief Case
 - ◆ Fire Training – Division Chief Watkins
 - ◆ Emergency Medical Service – Division Chief Torgersen
 - ◆ Urban Search & Rescue – Division Chief Case
 - ◆ Wildland and Camp Williams – Division Chief Widdison
- ◆ Support Services – Assistant Chief Robinson
 - ◆ Logistics – Assistant Chief Robinson
 - ◆ Information Technology – IT Manger Bowden
 - ◆ Fire Prevention – Division Chief Larson
 - ◆ Special Enforcement – Division Chief Ball
- ◆ Capital Replacement – Chief Burchett & CFO Hill
- ◆ Closing – Chief Burchett
 - ◆ Difficult decisions were made, and a lot of work was done to get to this point
 - ◆ Chief expressed his thanks to the Divisions for all their work

Deliberation and Consensus on Recommendation to Full Board of Directors – Chair Stewart

- ◆ Chair Stewart explained that the goal here is to make an overall recommendation to the Board in the coming week
- ◆ Chair Stewart stated that with the pending possible partnership with the BLM and the training tower, it may not be the best time to invest \$2M until this plan has progressed
 - ◆ There needs to be a broader discussion and a pause on any improvements to the property in Magna might be wise until more is known
 - ◆ A possible savings may be realized if some of the upgrades/changes can be coordinated with work done in conjunction with the BLM building
- ◆ Chief Burchett clarified that this would be a separate facility and the training center and classrooms would remain separate due to usage
- ◆ Mayor Dahle asked for clarification of what the \$2M would be used for
 - ◆ DC Watkins stated that there are 15 acres for development at the training center
 - ◆ Currently the buildings consist of separate trailers that were intended for short-term use
- ◆ Committee Members agreed that the improvements are needed, but feel it is wise to wait and possibly jointly develop the area
- ◆ The savings will be seen in a reduction to the General Fund transfer to the capital replacement in the \$250,000-\$300,000 range
 - ◆ This will translate to a Member Fee reduction of about 50%
- ◆ CFO Hill stated that the \$1M not transferred to capital from the General Fund side is possible, but if the decision is to pay the ongoing costs, this is just being pushed off until down the road
 - ◆ If the Member Fee is reduced and the \$1M is paid out of Fund Balance, that \$1M expense will be there for next year, at some point the members pay the COLA
- ◆ Both Mayor Weichers and Council Member Stewart feel that it would be wise to recommend the 5% COLA now and wait to see what the economy does at the first of the year, reassess the 2% in January with a possible budget amendment

- ◆ Mayor Silvestrini is not opposed, but asked that there be awareness of the funding for members of UFSA, the inability to have the flexibility in revenue without an increase going through the Truth in Taxation process and the problem a 2-step COLA creates
- ◆ Mayor Dahle has no problem with the 5/2 split, but wants a commitment in the budget that it will happen
 - ◆ UFA has done a great job managing costs and only increasing the Member Fee .49%, and with the COLA, is remarkable compared to other agencies
 - ◆ The Board is not seeing a large increase in Member Fees as are being seen from other agencies
 - ◆ Comparing URS for CPI, 8-9% increase is being seen, and some other cities are at 8-12% based on the information he is receiving
 - ◆ His stance is to see a vote on the 5/2 and have the 2 included in the budget for the entire year
- ◆ Council Member Harris agrees, the 5/2 is already a compromise
- ◆ Council Member Stewart has fears of a recession and the need for municipalities to make the difficult decision to shift from 4 to 3-persons crews
 - ◆ Council Member Stewart is not against the 7%, however, his goal is to not have any reduction in staffing and cutting jobs
 - ◆ Much of the private sector does not get COLA
- ◆ Mayor Silvestrini noted that the intent of the Fund Balance is to weather a recession
 - ◆ Mayor Silvestrini suggested a compromise of 6%
- ◆ Mayor Weichers mentioned that the 5% with the merit/longevity for each employee is 6% and feels this is putting pressure on city budgets
- ◆ Mayor Dahle is in favor of the 6% compromise rather than leaving 2% hanging out there, it's the message that is different if the 2% remains undecided, not moneywise
 - ◆ We are looking at full employment with the reason for doing this is hiring and retaining employees
 - ◆ Mayor Dahle is in favor of the 5/2 if the 2% is guaranteed
- ◆ Council Member Bailey stated what took place in SLCo during the last recession
- ◆ Council Member Harris appreciates the insight, but noted that we are not currently in a recession and the proposal does not meet the inflation currently taking place
 - ◆ Council Member Harris feels that 5/2 or 6% is a bare minimum and is well below the inflation currently happening
 - ◆ The Committee must work in the current environment and support the COLA
 - ◆ She also does not like the idea of personnel wondering if they will be receiving 2% in January
- ◆ Mayor Stevenson supports 6%
- ◆ Mayor Dahle supports 6% and feels this is a fair compromise and sends a stable message to personnel
- ◆ Mayor Weichers is bothered by one reason for the COLA
 - ◆ If the concern is for those struggling, why are those making over \$120,000 given the COLA
- ◆ Council Member Stewart agrees with the 6%, but also agrees that there may be a broader discussion on the level of employees and their eligibility for a COLA
- ◆ Council Member Stewart recapped the discussion
 - ◆ 6% COLA, the \$2M will be deferred until next year, the \$1M will not be shifted as he agrees with the concern drawing down the Fund balance for reoccurring expenses, and the mechanic omitted
 - ◆ AC Robinson will collect more information on the savings realized with the mechanic
 - This information will be prepared for the Board Meeting for further consideration and possible inclusion
 - ◆ CFO Hill will update the budget to reflect the possible omittance of the mechanic and the savings for each member
- ◆ Mayor Silvestrini appreciates all the work and the compromise for the good of the communities and the Fire District, the 6% makes sense

Mayor Silvestrini moved to recommend submitting the proposed budget with the 6% COLA, eliminating the \$2M training improvements, and the elimination of the mechanic in the Draft Budget to the Board of Directors for consideration

Council Member Harris seconded the motion

Roll call vote taken

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

Closed Session

- ◆ None

Mayor Dahle moved to adjourn the May 6, 2022 UFA Finance Committee Meeting

Mayor Weichers seconded the motion

All voted in favor, none opposed

DRAFT



UNIFIED FIRE AUTHORITY

MEMORANDUM

TO: UFA Finance Committee Members
 FROM: Fire Chief Dominic Burchett and CFO Tony Hill
 DATE: August 29, 2022
 SUBJECT: Capital Replacement Fund Review

Background:

The Capital Replacement Plan identifies all apparatus and equipment, its current cost, estimated life span, and the anticipated replacement over the next ten to fifteen years. Most of the purchases in the plan are accomplished through three rotating financing arrangements for those items with a life span equal to or greater than the term of the financing. All other purchases are required to use the cash available in the fund balance. Beginning in FY21/22, the debt service payments for these capital purchases are funded by a transfer from the General Fund to the Capital Replacement Fund.

The Plan, in its current state, was part of a multi-year process to accomplish three main goals:

- Identify all critical capital items, frontline vs. reserves
- Plan for replacement, cost and timing
- Smooth annual member fee increases to accomplish these purchases

It is necessary to always be preparing for upcoming debt issuances. The FY25/26 amount is currently projected to be \$2,878,696, which is \$2,066,201 more than the note it will be replacing. In anticipation of this increase, \$300,000 to \$400,000 a year has been added to the member fee contribution transferred to the Capital Replacement Fund. In FY 22/23 this additional transfer was not approved as part of the budget process.

FUNDING THE CAPITAL REPLACEMENT FUND

| | FY19/20 | FY20/21 | FY21/22 | FY22/23 Budget |
|---|-----------|-----------|-------------|-------------------|
| Member Fee Contribution (Transfer from General Fund) | | | \$3,671,303 | \$3,679,385 |
| Sale of Surplus Equipment | \$447,578 | \$183,760 | \$96,151 | \$75,000 |
| Billing for Apparatus during EMAC Deployments | \$28,416 | \$374,173 | \$231,193 | \$0 |
| General Fund Excess Fund Balance (Greater than 8.5%) ⁽¹⁾ | \$0 | \$894,244 | \$847,077 | \$1,063,697 |

⁽¹⁾ \$1,165,896 was budgeted in FY19/20 but was cancelled due to the Covid-19 pandemic

MEMBER FEE CONTRIBUTION (Transfer from General Fund)

The funding from this transfer is used to make the annual debt service payments. The three outstanding debt issuances are:

- \$812,495 – through September 2024
- \$1,583,544 – through October 2027
- \$1,251,278 (estimate) – New for FY22/23

FINANCED APPARATUS AND EQUIPMENT

Engines, Trucks, Ambulances, other apparatus, staff vehicles, ATV's, UTV's, trailers, SCBA equipment, breathing air compressors, extrication equipment, stretchers, radios, and all equipment with at least a six-year useful life.

GENERAL FUND EXCESS FUND BALANCE, SALE OF SURPLUS EQUIPMENT, EMAC DEPLOYMENTS REVENUE

The funding from these sources is used to:

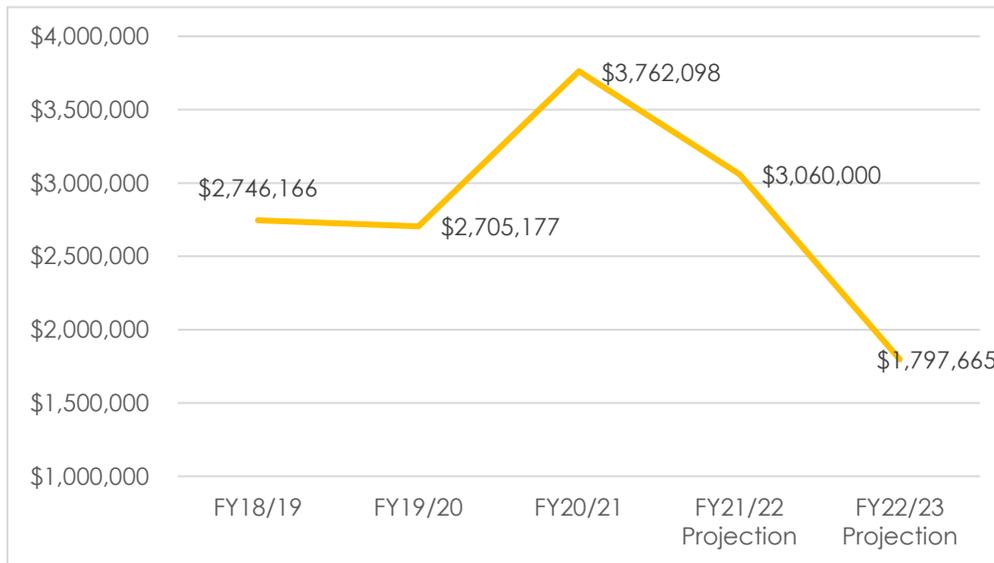
- Purchase items with cash that can't be financed
- Smooth out the member fee contribution
- Reserves in case of an emergency

ITEMS PURCHASED USING CASH (Fund Balance)

Battalion/Operation Chief vehicles, Facilities service vehicles, ZOLL monitors, mobile data terminals, computer equipment, and other equipment with a useful life of less than six years:

- FY19/20 - \$392,938
- FY20/21 - \$388,277
- FY21/22 - \$1,068,438
- FY22/23 Budget - \$1,943,100
- FY23/24 Projection - \$1,726,408

ENDING FUND BALANCE



Discussion:

The Board of Directors directed the Finance Committee to determine a target for the ending fund balance. All debt obligation, cash for non-financeable items, and a cash surplus must be included.

Three methodologies have been identified for the ending fund balance amount:

- A percentage of the total replacement cost

| | | | | |
|------------------------|--------------|-------------|-------------|-------------|
| | | 10% | 5% | 2.5% |
| Total Replacement Cost | \$71,838,815 | \$7,183,882 | \$3,591,941 | \$1,795,970 |

- One year of debt service payments

| | |
|-------------------------------|-------------|
| One Year Debt Service Payment | \$3,647,317 |
|-------------------------------|-------------|

- Emergency replacement of an engine or ladder

| | |
|---------------|-------------|
| Ladder | \$1,550,000 |
| Type 1 Engine | \$830,000 |

One or a combination of these methodologies can be used to determine a target for the ending fund balance in the Capital Replacement Plan.

With direction from the Board of Directors on an ending fund balance amount, staff will include recommendations during the budget presentations and create a plan based on how many years are needed to accomplish the directed goals.