

Minutes of a Budget Committee Meeting of the Board of Directors of the Verde Valley Fire District Meeting Held April 22, 2020

A Meeting of the Budget Committee of the Verde Valley Fire District Board of Directors was held on April 22, 2020 at 4:00p.m. electronically.

Committee Members:

Don Peck, Board Clerk
Coleen Gilboy, Board Member
Gary Svider, Board Member

Staff Present:

Joe Moore, Fire Chief
Lisa Elliott, Administrative Manager
Joyce Driscoll, Administrative Assistant
Bill Boler, EMS Director

Others Present: None.

CALL TO ORDER - The meeting was called to order at 4:09 p.m.

ROLL CALL – All members were present; a quorum was present.

FY2020-2021 BUDGET – A work session to discuss the Fiscal Year 2020-2021.

Administrative Manager Elliott explained increases in revenues and expenses. These included:

- 5% property valuation increase resulting in an increase of \$269,457 in revenues.
- Increase in Fire Protection Service Agreement Fees.
- Increased Wildland revenues.
- 2.5% merit increase for all employees, \$101,490.
- Health benefit increases; \$56,169.
- Public Safety Personnel Retirement System (PSPRS) increases totaling \$111,324.
- Workers' compensation increase of \$57,095.
- Other minor increases throughout the budget.

Administrative Manager Elliott noted that the operating revenues total \$7,065,221 and operating expenses total \$7,053,481. She stated that the net revenue of \$356,205 is due, in part, to the difference between the amount of budgeted carryover revenues of \$1,758,310 and contingency funds of \$1,200,000. The difference totals \$558,205 comprised of \$160,000 of operating transfers to other funds and \$356,205 of net revenues. She stated that the Board has a policy to allocate 15% into contingency which equals just under 1.1 million dollars. She stated that the Board needs to determine what to do with the \$356,205, i.e. add to contingency, transfer to capital projects, etc.

Chief Moore, in response to a question by Board Member Gilboy, stated that due to the 2008 downturn assessed valuations on homes went down; however the District had room in the mil rate to increase it to offset the decrease in values. He noted that the District can no longer reduce that mil rate due to the 5% tax cap.

Board Member Gilboy expressed her concerns about making sure there are funds set aside for any future challenges.

Administrative Manager Elliott stated that the Board may want to keep the funds in the budget or retain them in the Capital Projects account, but earmarked so they are not used for capital projects.

Board Clerk Peck stated that he likes the idea of keeping the funds fluid. Board Member Svider agreed.

Administrative Manager Elliott stated that Staff is attempting to revamp the Five-Year Capital Projects Plan. She explained that this is still in the works. She explained the funds allocated in the Administration section of the Plan. She continued to explain the projects listed in the Plan for next fiscal year.

Board Clerk Peck asked about funding for an assistant chief position. Chief Moore stated that they did not feel there were enough funds in operations to add this position. It was discussed that there were some one-time expenses that were used to pay for the battalion chief positions last year and in the coming year this has been covered within the budget. He also explained the costs of workers' compensation also being a challenge. Chief Moore reminded the Board of the option to pay down the PSPRS debt.

Discussion followed regarding proposed wage increases and the fact that the wage scale is based on wage boxes vs. a wage range. It was noted that the proposal is merit only, no cost of living increase. It was noted that Labor only asked for the 2.5% wage increase and they wished to examine the budget for efficiencies. Chief Moore noted that this budget meeting information was also shared with Labor.

Board Member Gilboy noted that the increases in expenses are outpacing the increases in revenue. Discussion followed.

Board Clerk Peck noted that much work has been done on the budget and it looks like it is going smoothly.

Board Member Svider stated that the District needs to go on the defensive mode for the next two years, stay liquid. He thanked Administrative Manager Elliott for her hard work.

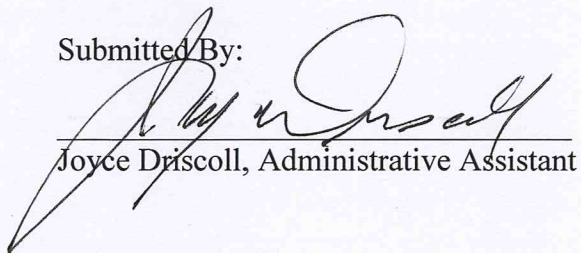
Chief Moore stated that there will be some adjustments made, particularly with Capital Projects. He noted that another meeting may need to be held.

Administrative Manager Elliott stated that this budget document will be what is given to the Board at the April meeting unless the group would like to make a change. She shared projected economic information.

FUTURE AGENDA ITEMS – A listing of items to be placed on a future agenda. No items were listed.

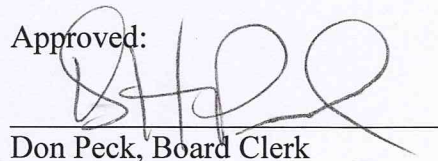
ADJOURNMENT. With no further business before the Committee, the meeting adjourned at 4:59 p.m.

Submitted By:



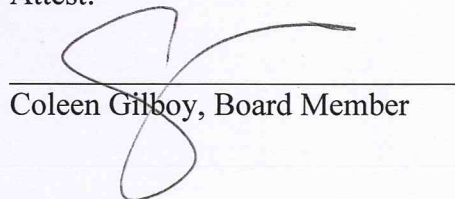
Joyce Driscoll, Administrative Assistant

Approved:



Don Peck, Board Clerk

Attest:



Coleen Gilboy, Board Member