

**GOLDER RANCH FIRE DISTRICT
GOVERNING BOARD
BUDGET STUDY SESSION MINUTES
Tuesday, April 25, 2017 1045 hrs
3885 East Golder Ranch Drive, Tucson, Arizona**

1. CALL TO ORDER/ROLL CALL

Fire Board Chairperson Vicki Cox Golder called the meeting to order on Tuesday, April 25, 2017 at 10:45 a.m.

Members Present: Board Chairperson Vicki Cox Golder, Board Vice-Chair Steve Brady, Clerk David Dahl, Board Member Mark Clark, Board Member Richard Hudgins

Staff Present: Fire Chief Randy Karrer, Assistant Chief Patrick Abel, Assistant Chief Tom Brandhuber, Finance Manager Dave Christian, Board Services Manager Brooke Painter

2. CALL TO THE PUBLIC

There were no public issues presented.

3. REGULAR BUSINESS

A. BUDGET STUDY SESSION

Chief Karrer explained that this will be a casual study session; we will talk about where we [GRFD] are currently and where we are going. Chief Karrer discussed the impact of the increase in the Public Safety Personnel Retirement System (PSPRS) liability. He stated that in the proposed budget, we will not be using any reserve funds. The budget presented to the Governing Board is a status quo budget; no new positions or programs. There are currently two vacant positions that have not yet been filled; the replacement of Firefighter Samaniego and the logistics manager position.

Finance Manager Christian presented version #1 of the proposed budget to the Governing Board. He first discussed the total costs for the budget. He stated that the labor costs consist of 82% of the overall budget. He broke down the labor costs by category for the Governing Board.

Chairperson Cox Golder asked why there was such a big increase in the on-call pay – Chief Karrer responded that the adjustment was based upon the salary survey that was conducted earlier in the year. We paid \$.25 per hour, which was way out of range of those who were surveyed.

Manager Christian explained the increase in the PSPRS rates to the Governing Board. He continued that we would be offsetting the PSPRS amount with a subsidy that is provided per A.R.S. §20-224. Manager Christian stated that SB1428 mandates employers contribute 4% match for any Tier 2 employees who do not opt out of a PSPRS administered 401a plan; employees must contribute 3%. Chief Karrer explained that these numbers are driven by the legislation, in response to a question by Vice-Chair Brady.

Manager Christian reiterated that this increase in labor costs is due to no new positions, no cost of living adjustments; this only includes the normally administered merit increases.



The Board was presented an executive summary that talked about the suppression personnel moving to a twelve step pay scale instead of seven steps (until it gets to the captain level, then it is ten steps). Chief Karrer explained that this will help to prevent the compression that is seen in suppression topping out too quickly. Increases will be less each year as we extend out to the twelve step program. Chief Brandhuber added that this would be capable to accomplish within one budget year, because of the minimum budgetary impact.

Chief Karrer and President Lunde explained why some were only ten steps versus twelve steps, in response to Board Member Hudgins' question. Chief Karrer explained that they also looked at tuition reimbursement and on-call pay. He stated that we do not currently offer any cost of living adjustments. Chief Karrer continued that we will be making some adjustments to our leave policies – which would allow the rollover of sick leave into vacation time banks.

Manager Christian next discussed the Capital Improvement Plan (CIP). In the past, the CIP has been a five-year plan. He stated that the capital plan presented in this year's budget is only for 2018; due to the possibility of consolidation. Chief Karrer mentioned that the Stryker cots listed, are currently in back of some of our ambulances, and have been shown to reduce the number of back injuries. There were also discussions about the medication dispensing units and the need for those, as Oro Valley Hospital is no longer covering those costs. It was explained that Oro Valley Hospital would provide the drugs, but at market costs, instead of at cost. We were able to join Tucson Fire Department on their purchasing agreement. Chief Brandhuber explained this is coming from the federal level; it is happening across the nation.

Next, there were discussions on the debt services. There are two capital leases that will be due in February of 2018. There is a capital lease for the Type III engine, which is being paid for through the wildland revenue received. The plan to pay for the Type III through wildland funds is working.

Manager Christian explained the leases and general obligations bonds. Because of the refinancing of the bonds and the low amounts owed, he is suggesting that we lower the bond mil rate to \$.10. He explained that there is a bill proposed in legislation that has some traction that may restrict the bond mil rates.

Manager Christian discussed the trends of net assessed values of the District and the levy trends over the recent years. He then presented the total revenues expected for the District. He stated that the Robson contract for the salary subsidy is down another \$20,000 this year and will eventually go away. Chief Karrer stated that there have been some discussions with Robson about them carrying the note to build a station in SaddleBrooke Ranch and using their subcontractors; these discussions are still in negotiations. Manager Christian explained that the Reserve Fund is missing from the FY2018 proposed budget.

Manager Christian explained that he is proposing a \$.20 increase to the mil rate is needed to balance the budget. Chief Brandhuber explained the trends in the total call load, calls per employee, budget spent, and the costs per incident and showing responsible growth for the District.

Chief Karrer stated that this proposed budget is presented is with the possibility of consolidation with Mountain Vista in mind.



Manager Christian answered questions from the Board about the possibility of lowering the mil rate and using some of the reserve fund to keep the mil rate lower. Chief Karrer explained that in order to that, we will need to cut programs. Board Member Hudgins asked why would not put any of the reserve funds into the levy. Chief Karrer explained that if we do that, we may need to take out a line of credit to make payroll in our lean months. Clerk Dahl asked what programs would be cut. Chief Karrer stated that he understands that this is a bigger increase in the mil rate as compared to past years. Chief Brandhuber stated that this budget is what it costs to run the District with the programs and staffing that Board has directed the District through the strategic plan.

Chairperson Cox Golder stated she would like to see staff look at classes that they would like to take and see if any of those could be cut back. Chief Karrer stated that we can look at those, but those cuts still would not give us the amount of money that she would like to see.

Chief Karrer stated that we can look at the options discussed and bring back version #2 to the Governing Board. He also stated that we are still one of the lowest taxing districts in the county. Clerk Dahl states that he is ok with the \$.20 increase in order to continue to provide the current services. Chief Karrer stated we will do our best to try find some costs savings and present a version #2 to the Board.

Chairperson Cox Golder asked about membership dues and license renewals in the large increase; Chief Abel explained that amount includes the lease for the Fire & Life Safety building. Chief Karrer also mentioned that the communications piece is still unknown as well.

MOTION by Board Member Hudgins to recess for lunch at 12:22 p.m.

MOTION SECONDED by Board Member Clark

MOTION CARRIED 5/0

The Governing Board reconvened into Regular Session at 12:52 p.m.

Chief Karrer stated that he will also look for additional revenue sources. He stated that there may be an opportunity to discuss with Robson our plan and the possibility of continuing the subsidy. The Board directed staff to look at ways to make cuts to the proposed budget and bring back version #2 of the proposed FY 2018 budget.

4. **ADJOURNMENT**

MOTION by Board Member to adjourn the meeting at 12:56 p.m.

MOTION SECONDED by Clerk Dahl

MOTION CARRIED 5/0



David Dahl, Clerk of the Board
Golder Ranch Fire District
b/p

