

Special Meeting Budget Workshop Thursday, April 5, 2018

The meeting was called to order by Assistant Chief Moore at 9:30 a.m.

Staff Present: Acting Fire Chief Scott Neal, Assistant Chief Patrick Moore
Board Member Karen Flenniken

Chief Moore addressed the group, he stated today is the second budget workshop and gave a summary of discussion at the first budget workshop in March. He stated today's workshop meeting would focus on the income/revenue side of the budget, which include income from Tax Revenue and Fees for Service. He also suggested additional budget meetings to discuss formulating hard cost line items, final compilation of the budget and preparing for a budget hearing and adoption

Chief Moore stated he is confident that we will meet our benchmark for property tax revenue although he is unsure if it will be met on projected ambulance revenue this FY 17/18.

Proposed FY 18/19 income:

- Net assessed valuation of \$288,102,056. This is approximately a 3.5% increase from FY 17/18 Tax revenue generated at the current levy rate (\$3.15) is approximately \$9,075,214.76, he stated we typically collect mid to high 90% annually. A collection of 97% would equate to approximately \$272,257 reduction.
- Fees for Service: \$3,852,690.91 and Fire district assistant tax (FDAT) \$400,000.
- The projected total approximate revenue to be generated for FY18/19 of \$13,327,905.67 this figure reflects a 100% collection of each individual line item in comparison to FY 17/18 at \$13,503,244.00.

Chief Moore went over the current FY 2017/18 adopted budget. He stated last FY 17/18 contingency was \$710,000 and stated FY18/19 will be closer to \$600,000, historically we try to keep the contingency line item at 5-15%, which is a requirement by Governmental Accounting Standards Board (GASB). He stated the beginning unreserved balance of \$1,057,903 is carryover from the previous budget year into this FY and stated this was used to balance the FY 17/18 budget. He stated the drawback of using this budget philosophy is if we spend the carryover this budget year we will not have it going into the next FY. He stated the FY 18/19 budget would include a capital line item for future capital replacement so we do not

have to rely on a future bond to replace capital needs. He stated that the plan is to put \$460,000 in the capital outlay line for FY 18/19.

Chief Moore stated as we move forward we will be having open discussions and transparency in collaboration on hard cost line items for the next FY 18/19 budget.

Discussion within the group on the topic of wildland and revenue received and future plans to expand apparatus and personnel training for wildland. Chief Moore stated wildland could be lucrative, keeping in mind that there are always years where fire seasons are not as bad and revenue would be lower. Further discussion within the group continued on spending, line items, approval of expenditures prior to purchase.

There was a question raised on line item balances and spending 100% of the line item, Chief Moore explained that it depends if we have met our benchmarks for revenue, some line items may run over this year, like the cost of the investigation that is currently in process. He explained we did not foresee this cost and it will have to come out of the contingency line. He stated the intention is to spend each line item if the benchmarks are met. Chief Moore explained that the projected revenue, if you take out the reserved and unreserved at \$1,767,903 for this year is around \$13,600,000 and our expenditures are projected at \$14,100,000, which puts us upside down at around \$500,000. He stated the reserve and unreserved numbers we started with this year will go down and we will not have those numbers to start out next FY budget. So fiscally, we will have to curb some of our spending based on these projections.

Chief Moore stated Arizona statutes states we cannot spend more than what we have budgeted, if the revenue sources do not come in, this is when we pull from the contingency. In the future, which may take two to three years, we will have the 5-15% contingency and capital built up for the years when our collection rate drops below 100%.

The group continued discussing different topics such as supply ordering, expenditures approved and accounted for prior to spending, overtime usage and non-emergency transports that effect the budget.

Workshop adjourned at 10:35

Recorded by,



Paula Acker
Administrative Manager

Approved by,



David c. Cummings, Chairman
Fire District Board



Charles Moore, Board Clerk
Fire District Board