

**Sun Lakes Fire District
Budget and Finance Committee Meeting Minutes
May 19, 2011**

The meeting was called to order at 10:05 AM by Fire Chief Wilson. Those present at the meeting included Board Members Michael Sellers, Chief Wilson, Dep. Chief McCoy, Finance Manager Elikan, Union Local 3560 President Kenyon and Vice President Janet Bennett. Board Member Diane Price joined the meeting at 10:10 AM.

Chief Wilson began by reviewing the status of the Overtime budget to date. The approved budget amount was for \$254,000 plus the Department received a grant for \$100,000. As of April 30, 2011, \$319,000 had been spent on overtime. He noted that there are some on-going Wildland Fire Deployments that involve overtime pay. However, those are fully reimbursed by the Federal Government. Due to the timing, it is likely that the reimbursement will not be received by SLFD before the end of FY 2010/11 on June 30, 2011.

Chief Wilson went on to state that the Overtime budget would likely be overrun this year, however, due to a number of other underspent items, the total budget would not be overrun. He felt that if the expenditures stay on track with no crisis, it is likely SLFD will finish the year with about a \$100,000 carryover. Chief Wilson also noted that there are some Capital funds left that were not spent such as on the 800 MHz radios that will also be available for carryover to FY 2011/12.

Board Member Price joined the meeting at this point. Chief Wilson recapped the OT budget status for Ms. Price.

Finance Manager Elikan explained the options available if the OT budget does run over because the Federal reimbursement is not received before the FY end. She noted that the carryover mentioned by Chief Wilson or some unexpended funds in the Capital account could be utilized and then reimbursed when the payment is received from the Federal Government.

Finance Manager Elikan reviewed the changes to the ASRS and PSPRS retirement contributions mandated by the State Legislature. She noted that the Employees covered by ASRS will be paying slightly more than the Employer. The contribution is based on the percentage of gross pay which includes worked time, overtime, sick and vacation time. The same will be true of the Firefighters covered by the PSPRS plan. Chief Wilson noted that the PSPRS plan has preprogrammed annual increases into the Employee Contributions for the next four years. This is in order to meet the legislative mandate to bring the plan into actuarial solvency.

Chief Wilson reviewed the five year capital project plan based on the recommendations of the Operations Committee for major purchases/upgrades. Ms. Elikan noted that the beginning balances for each FY were conservatively estimated.

Chief Wilson reviewed the proposed 2011/12 Capital Budget and Chief McCoy explained specific items. There were no questions or discussion.

Finance Manager Elikan reviewed the overall proposed budget. She explained how the revenue and expenditure totals were developed with consideration to available tax and ambulance revenues. Chief Wilson pointed out that the proposed budget at slightly less than \$7.3 million represents a significant decrease from the current budget of slightly over \$7.6 million.

Chief Wilson stated that the legislation providing the Fire District Assistance Tax that comes from the State has been renewed for this year and will increase to \$400,000 per year in 2012.

Chief Wilson also reviewed the ambulance revenue noting that Medclaim Data Services, SLFD billing contractor, is in the process of applying for a rate increase on SLFD's behalf. It is anticipated that the rate increase will be granted. This will increase the budgeted Ambulance Revenue by about \$50,000 per year. No increase was factored into the proposed budget because it will not be granted at best until half way through the budget year.

Finance Mgr. Elikan reviewed the effect the proposed budget will have on Sun Lakes taxpayers. Chief Wilson also added detail on assessments. (see handouts filed with these minutes)

There were no further questions or comments on specific items.

Chief Wilson stated that if the Committee was comfortable recommending the Proposed \$7,296,258.00 Budget to the Board and the Board approved that Proposed Budget, that would set the cap for the maximum amount for FY 2011/12. Once adopted as the Proposed Budget, the full Board could reduce the total amount but could not raise the total at the June, 2011 Regular Board Meeting when the final budget is formally adopted.

Chief Wilson reviewed potential grant applications that if awarded would cover or subsidize a number of items in the Budget including a portion of the Overtime budget, the Brush Truck and several other capital items. The outcome of these grant applications will not be known until well into the Budget Year.

The consensus of the Committee was to recommend approval of the Proposed Budget as presented at this meeting to the full Board.

Chief Wilson asked what documents the Committee thought should be included in the package that went to the full Board. The answer was the documents detailing the effect of the budget on taxpayers, the 5 year capital budget plan, FY 2011/12 Capital and FY 2011/12 Operating-1 page budget.

Board Chair Sellers noted that the June Regular Board meeting should be moved to June 21, 2011. This will leave a week gap between the adoption of the Final Budget and July 1, 2011 when the budget needs to take effect.

Chief Wilson asked if the Budget Committee meeting should also be moved to June 16, 2011. Board Chair Sellers said that it should. Chief Wilson agreed to make sure the meeting facilities were available for the rescheduled meetings and if so, to put the rescheduled time on the May, 2011 Regular Board Agenda.

There were no further comments or discussion therefore, the meeting was adjourned at 11:00 AM.