

**Sun Lakes Fire District
Budget and Finance Committee Meeting Minutes
June 16, 2011**

The meeting was called to order at 10:00 AM by Fire Chief Wilson. Those present at the meeting included Board Members Michael Sellers and Diane Price, Chief Wilson, Dep. Chief McCoy, Finance Manager Elikan, Union Local 3560 President Kenyon and Vice President Bennett.

Agenda Item 1. Finance Manager Elikan reviewed the proposed FY 2011/12 Salary Schedule. She particularly noted the changes in PSPRS and ASRS Employer and Employee contributions all of which have been mandated by legislative action.

Agenda Item 2. Finance Manager Elikan noted that there was essentially no difference between the proposed budget and the final budget. Chief Wilson stated that the District had been notified June 13, 2011 by PSPRS of changes that were mandated in legislation recently passed concerning employer and employee contributions to PSPRS. The one change that will affect the budget significantly is that any employer who employs a person already drawing a retirement payment from PSPRS is now required to make an Employer's alternative contribution to PSPRS as long as that person is employed. Chief Wilson noted that the employee would not receive any benefit from this additional payment to PSPRS. The logic of the legislation was that a retiree would be taking the place of someone who would otherwise be contributing to the PSPRS fund, therefore, the employer [SLF District] would normally be making a contribution to PSPRS.

The cost of this change has not been accounted for in the proposed budget. Board Member Sellers stated that the money would likely have to come from the contingency fund, however, a final decision would need to be made by full Board action. Board Member Sellers expressed the opinion that the total Final Budget amount is not changing.

Agenda Item 3. Finance Manager Elikan explained that she was recommending that the District enact a resolution that would establish separate accounts for Wildland Firefighting Revenue and Firefighter Reimbursements. This will provide a clear picture of District funds income and expenditures for Wildland Firefighting separate from normal tax funded District income and expenditures. It was noted that the labor cost would be a wash in that the District would be reimbursed by the Federal Government for District expenditures for labor at cost. However, any equipment such as an engine deployed would be billed per hour for every hour out of the District at a pre-agreed rate (i.e., a compressed air foam engine is billed at \$144/hour).

Agenda Item 4. Finance Manager Elikan reviewed the New Financial Compliance Requirements for Fire Districts mandated by the Legislature.

- The time period to submit the annual District audit has been extended from 6 months to 8 Months. Sun Lakes intends to hold to the 6 months.
- The audit must conform to generally accepted governmental accounting standards “yellow book”. Sun Lakes accounting methods are currently in conformance the governmental accounting standards.
- The State Auditor General is still clarifying a number of issues. Finance Mgr. Elikan is on the Arizona Fire District Association (A.F.D.A.) Task Force developing these clarifications.
- Separate accounts will be required for Operating funds, Capital, etc. Sun Lakes currently complies with these requirements.
- There are a number of other minor changes in requirements which Sun Lakes either currently complies with or has implemented the changes necessary for compliance.

Agenda Item 5. Finance Mgr. Elikan reported that the current District Auditor, Lorenzo PLC has a record of 90% of their audits are Yellow Book compliant. She recommended that the firm of Lorenzo PLC be continued as the District Auditors. The Committee agreed with the recommendation.

Chief Wilson inquired, if the Committee wanted the engagement of Lorenzo PLC CPA to be placed on the June 21st board agenda for action. The Committee stated ‘no’, the audit funds are budgeted in FY2011/12 and staff should proceed.

There was no further business to come before the Committee. Thus the meeting was adjourned. Time: 10:45a.m.