

**Sun Lakes Fire District
Budget & Finance Committee Meeting Minutes
June 15, 2010**

Call to Order:

A meeting of the Sun Lakes Fire District Budget and Finance Committee was called to order by Fire Chief Wilson at 1:10 P.M. at the Fire Station 232 Training Room. Board Chairman Sellers present and Board Treasurer Price absent. Others in attendance included Fire Chief Wilson, Deputy Chief Guerra, Finance Manager Elikan, Union President Kenyon and Vice President Puchta.

Agenda Item 1 - Review and Discuss the District's Fiscal Year 2010/11 Memorandum of Understanding (M.O.U.) with the International Association of Firefighters Local #3560.

Chief Wilson opened the meeting by thanking the Labor Representatives, Chief Guerra, and for their work on the M.O.U. for FY 2010/11. He also expressed appreciation to Andrea Elikan for providing calculations for the M.O.U.. The M.O.U. is a consensus recommendation approved by Labor and Management.

Chief Wilson directed the attendees' attention to the following M.O.U pages, which had financial information related to the FY 2010/11 Budget:

Pages 8 & 9 - Section 3-1 Wages

The District will continue the Employer contribution to the 401a, Compensation to Paramedics, and Employer contribution to the Post Employment Health Plan and NO Cost of Living Adjustment, as specified below:

- A. *The district shall make an employer contribution of two percent (2%), for 24 pay periods, to the employee's 401a deferred compensation plan for fiscal year 2010/11.*
- B. *Fiscal year 2010/11 employees assigned as paramedics shall receive certified emergency paramedic (CEP) pay: for Firefighters \$2.50 per hour, above base pay; and for EMS personnel \$2.19 per hour, above base pay. This reflects an annual assignment pay that is equal to \$7,280 per year for both Firefighter CEP's and EMS CEP's.*
- G. *The district shall make an employer contribution of seven percent (7%) for 24 pay periods, to the employee's post employment health plan for fiscal year 2010/11.*
- H. *Fiscal year 2010/11 the district shall contribute zero percent (0.0%) to all members' bi-weekly base pay as a cost of living adjustment (C.O.L.A.).*

Pages 9 & 10 - Section 3-1A Performance, Fitness and Merit Pay

The District will continue the Employer contribution to the Performance, Fitness and Merit Pay as specified below:

- 1. *On the first pay check in June and December of each year, for eligible employees who are topped out of step increases (employees who have achieved sixth step will be eligible for Performance Fitness Merit*

Pay in December of that fiscal year), the district shall pay one percent (1%) of the employee's base pay, once in June and once in December of each year, for fiscal year 2010/11.

Page 12 - Section 5-1 Health Insurance

The District will offer a Health Savings Account (H.S.A.), as an option to the 90/10 Blue Cross Blue Shield Traditional plan, and contribute to the Employee Deductible as specified below:

For employees who select the H.S.A., the employer contribution of pre-tax dollars to the H.S.A. will be \$1,548.00 for the fiscal year, pre-funded to the employees H.S.A. on July 1, 2010.

Page 15 - Section 5-5 Holidays, Vacation and Sick Time Accrual Rates

The District will offer employees the option of selling back 100 hours of Vacation time per year, instead of the previous 72 hours annually. If an employee is maxed out of Sick and Vacation Accrual they may sell back 200 hours per year. Both arrangements save the District money, instead of spending overtime to backfill the position, of an employee who is on leave.

D. Employees covered by this M.O.U. shall be permitted to sell back up to one hundred (100) hours total per M.O.U. year of accrued vacation leave to the district at the employee's regular straight-time hourly rate. This benefit shall not exceed a total of fifty (50) hours on the last pay period in June and/or December of each M.O.U. year. Employees will only be permitted to sell back an amount of accrued vacation hours that would not result in their total bank of hours to drop below one hundred fifty (150) hours.

Emergency response personnel who are maxed out on both sick and vacation accrual levels shall be permitted to sell back up to two hundred (200) hours total per M.O.U. year of accrued vacation leave to the district, at the employee's regular straight-time hourly rate. This benefit shall not exceed a total of one hundred (100) hours on the last pay period in June and/or December.

Chairman Sellers asked if Labor was O.K. with the M.O.U.?

Union President Kenyon indicated, Yes. The Labor Attorney had reviewed and the membership had voted approval.

Agenda Item 2 - Review and Discuss the District's Fiscal Year 2010/11 Final Budget.

Finance Manager Elikan reviewed the FY 2010/11 Final Operating, Capital, and Special Revenue Budgets (Four Attachments are part of Agenda packet). She indicated there was no change in the numbers from the preliminary budget. She also affirmed the budget was posted and printed in the East Valley Tribune on May 29, 2010.

There was discussion about the Revenue - Other Income, where \$200 K of Capital Reserve funds were being applied to reduce the FY 2010/11 Operating Budget starting fund balance.

Under the Special Review Budget – there was discussion about the Grants, which had already been awarded e.g. Highway Safety - Jaws of Life and FEMA - S.C.B.A.

Additionally, Chief Wilson indicated the County Board of Supervisors had voted to approve the application to the Gila River Indian Community for replacement of the BC vehicle. Grant review will occur in Oct. 2010.

Finance Manager Elikan reviewed the FY 2010/11 Salary Ranges and Steps (Two Attachments are part of Agenda packet). She explained the ranges were the same as the prior year, as there was no C.O.L.A.

Chief Wilson commented he was proud of the organization to be able to provide Step Increases to those employees who were eligible. SLFD is one of the few government agencies able to do so, which makes SLFD a strong employer.

Agenda Item 3 - Review and Discuss a Proposed Agreement for Professional Audit Services for FY 2009/10 from the Firm of Lorenzo PLC, in the amount of \$7,200.

Finance Manager Elikan referred to the Staff report (Attachment is part of Agenda packet) and reviewed the Request for Proposal process for Professional Audit Services.

She interviewed the recommended firm and called the references provided to verify agencies were happy with their services.

Chairman Sellers asked why the recommended firm was so much lower?

Finance Manager Elikan stated she believed the recommended firm could do the work in less time and they had bid accordingly. Finance Manager Elikan indicated as a CPA she was able to do more of the financial preparation for the audit.

Adjournment

There being no further business to come before the Budget & Finance Committee, the meeting adjourned at 1:45 p.m.