

previously appointed Karl Hendrickson as legal counsel, Tony Hill as the Treasurer and Micayla Dinkel as the clerk and will work with UFA to figure out the fees associated with contracting with UFA for these services.

Mayor McAdams stated that he does not feel like the UFSA administrator is a full time position and perhaps the position could be a job share with the Municipal Services District Administrator at Salt Lake County. He suggested that the Board look at this position and entertain the idea of this position providing administration to both Districts. Mayor Johnson asked if the position would be a Salt Lake County employee. Mayor McAdams stated that the employee would either be a UFSA employee or a MSD employee. Councilmember Moser stated that the UFSA has three different options when hiring an administrator according to the resolution:

1. UFSA could share an FTE with the Municipal Services District
2. UFSA could hire an employee (administrator)
3. UFSA could contract with someone to provide these services

Mayor McAdams stated that it might be hard to find someone to run the UFSA on a part-time basis, as he feels that the position is part time. Mayor Pengra stated that he feels the UFSA can find someone that will be willing to take the position on a part-time basis. Councilmember Moser stated that the resolution requires that these appointments be in place no later than January 1, 2017, so there is still time to look at all three options.

Mayor Seghini stated that the UFSA is still interested in contracting with Tony to provide the financial support. Councilmember Moser stated that the UFSA needs further clarification on the code from Karl Hendrickson, but that she believes since UFSA is a district, it needs to be able to retain the autonomy to hire and fire whom they so choose. If UFSA doesn't separately contract with Tony and only makes it part of the UFA contract, the autonomy isn't there. She stated that if there is a way to still allocate a portion of his time and charge UFSA to pay back UFA, she would be in favor of doing so. Councilmember Moser stated that Karl will be looking into this legislation for the Board. She also asked Tony if he prefers to be a 10-99 employee or not. Tony stated that he is interested in getting this worked out, so he will do whatever the two boards decide, but would prefer to just get one W-2 from Unified Fire Authority. He also stated that whatever agreement the two boards come to, it needs to be clear that he is the full-time Chief Financial Officer for UFA and that he is doing the UFSA stuff as well.

Mayor McAdams made a motion that the Board adopt and approve Resolution 10-2016 Establishing a Management Structure for the Unified Fire Service Area. He also directed the Board to move forward with hiring management in one of the three ways outlined in the resolution. Councilmember Moser seconded the motion and all voted in favor.

Mayor McAdams left the meeting.

Councilmember Stewart asked that Karl Hendrickson review the legislation. Tony Hill reminded the Board that UFSA has never had a full-time benefited employee. UFSA does not have any contracts in place to offer benefits to an employee. There are several options to do this if the Board so chooses to hire an employee. Arriann also added that UFSA does not have personnel policies or procedures in place. Therefore, no guidelines on hiring and firing, giving raises etc. to a UFSA employee.

Councilmember Moser made a motion that once the new UFSA Administrator is hired, they should be tasked with making policies, forming sub-committees of the Board, and ensures all the normal functions of the Board are in place to protect the organization. Mayor Pengra seconded that motion and all voted in favor.

Quarterly Report

Tony presented the third quarter financial report for the Board to review. Tony highlighted the revenue for UFSA stating that all of the taxes will be coming in this quarter. The impact fees are trending well and are starting to come in.

Tony highlighted the General Fund budget expenditures for the Board to include the administrative and overhead fees. These line items are where UFSA pays UFA for the administration services they provide.

He also highlighted the fees for the auditor, capital lease payments, bond and note issuance costs, professional fees, UFA contract payments and interest expenses. Councilmember Moser asked if UFSA will have any additional bond and note costs and Tony answered no and that this line item looks like it was over budgeted at the start of the last budget year. Councilmember Moser asked if there will be any budget amendments to adjust for the reallocation of employee time back to UFA. Tony stated he didn't think there is a need for a budget adjustment. He stated that when the budget was created, staff was used the figure of \$450,000, so there should be enough money in this line item to pay for any staff or contracted staff if needed.

Tony highlighted the build of Station 117 in Taylorsville and it seems to be going well. He talked about the debt service fund and that an interest payment will need to be made in October. Councilmember Moser asked when the TRANS process will begin. Tony stated that it will begin in March in hopes to be completed by April.

Councilmember Moser made a motion to accept the Quarterly Report. Mayor Pengra seconded the motion and all voted in favor.

2017 Budget Information

Tony presented the draft 2017 budget documents for the Board to review for consideration. As the 2016 budget year is coming to a close, Tony asked the Board to start reviewing these documents to help create the tentative budget. Councilmember Stewart reminded the board that if the staffing dominator changes

from 3.5 to 3.67, then UFSA needs to include that change in the new budget. Tony stated that it would be very helpful to have those conversations. Councilmember Moser asked that Tony project the budget based on a 3.67 dominator for staffing. Councilmember Moser asked about the ending surplus (problem) category list on page eight of the handout. Tony stated that this spreadsheet is just a draft long range planning document that the Board could use to help budget for future years. He stated that the ending surplus line is just a mathematical formula that will help project what future years might bring. Councilmember Moser stated that new growth has been used in similar agencies to create a budget and that it is not adequate. She stated that budgeting with this figure is not a sound method and the organization has the potential to dig a hole. Councilmember Moser proposed that the Board consider a very modest increase year over year through truth and taxation to ensure that the Board is accommodating for the cost of living expenses, FTE increase, the increasing insurance costs in the budget. Councilmember Stewart agreed that it needs to be addressed this year so that it is a small fee vs. a large fee several years down the road. Mayor Pengra agreed and stated that the growth is not a model for success. He asked that if we budget accordingly and the growth happens, then that is a win for the organization. Mayor Pengra stated that he is not in favor of increasing taxes at this point until things settle with UFA and if need be, the organization could pull a small percent from fund balance. Councilmember Stewart stated that he is not in favor of using very much of the fund balance and would not want it to hurt the bond rating. Mayor Pengra stated that he is not in favor of anything that would change the bond rating either. Councilmember Stewart stated that it would be ideal to start discussing a small tax increase for the 2018 budget. Councilmember Snelgrove asked what percentage UFSA has in fund balance. Tony stated that there is around 17% of the budget in fund balance currently. Councilmember Moser suggested that the Board look at some type of policy or schedule that projects possible small yearly tax increases vs. one large tax increase to the tax payers.

Tony referred the Board to the template for the tentative budget for the Board to review. He asked that the board review the template and come up with a plan as to what they want to see in the upcoming budget to include a plan for the Capital Outlay line item.

Tony highlighted the structural balance sheet and the unassigned fund balance history sheet that shows that the UFSA expenditures exceed the revenue.

Mayor Seghini asked if the maintenance for stations include all UFA stations. Tony stated that this is just for the maintenance of UFSA stations.

Public Hearing Date of December 20, 2016

Councilmember Snelgrove made a motion to set the date of December 20, 2016 for public hearing to receive and consider comments on proposed amendments to the FY2016 budget, to receive and consider comments on the final budget for FY2017

and to receive and consider comments on eligible judgement levies. Councilmember Moser seconded this motion and all voted in favor.

Construction Update

Cynthia Mathews presented a construction report from Zwick Construction to the full Board. She highlighted that the work at Station 117 is going well and that it looks very nice. The fence was set this week and that 41,000 sq. feet of concrete work has been completed. Councilmember Moser asked for a completion date and Cynthia stated it should February 2017.

Information Items

No items for discussion

Approval of Minutes

Mayor Pengra made a motion to approve the following minutes:

- a. September 20, 2016 Minutes
- b. September 22, 2016 Minutes-Electronic Meeting

Councilmember Stewart seconded the motion and all voted in favor.

Motion to Adjourn:

Mayor Pengra made a motion to adjourn the meeting. Councilmember Moser seconded this meeting and all voted in favor.