THIS AGENDA IS SUBJECT TO CHANGE WITH MINIMUM 24 HOURS NOTICE

JOINT AGENDA OF UNIFIED FIRE SERVICE AREA AND LOCAL BUILDING AUTHORITY OF THE UFSA

September 17, 2024, 8:30 a.m.
(or immediately following the UFA Board meeting, if after 8:30 a.m.)

NOTICE IS HEREBY GIVEN THAT THE UNIFIED FIRE SERVICE AREA BOARD OF TRUSTEES AND THE BOARD OF DIRECTORS OF THE LOCAL BUILDING AUTHORITY OF THE UNIFIED FIRE SERVICE AREA SHALL ASSEMBLE BOTH ELECTRONICALLY AND IN-PERSON FOR A MEETING AT UFA HEADQUARTERS LOCATED AT 3380 SOUTH 900 WEST, SALT LAKE CITY, UT 84119

THE PUBLIC MAY ATTEND IN-PERSON OR ELECTRONICALLY VIA ZOOM WEBINAR AT:
https://zoom.us/j/98255960431?pwd=VW9iWk1KQ0JYTi9lSDIxMS96KzZXZz09
Password: 123911

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1. Call to Order – Chair Hull

2. Public Comment
   Please limit comments to three minutes each and be germane to the agenda items or UFSA/LBA business. The UFSA/LBA Board typically will not engage directly but may direct staff to address comments following the meeting.
   There are three options for comments during this meeting:
   a. In-Person.
   b. Live during the Webinar by logging in as described above. If you wish to make a comment, select the "Raise Hand" button at the bottom of the screen. You will then be added to the queue and invited to speak.
   c. Email: Public comments will be accepted prior to the meeting via email at publiccomment@unifiedfire.org until 7:00 a.m. September 16, 2024. Emailed comments submitted prior to 7:00 a.m. September 16, 2024, will be read or summarized into the record, comments received after the deadline will be forwarded to the UFSA/LBA Board, but not read into the meeting record or addressed during the meeting.

3. Approval of Joint UFSA/LBA Minutes – Chair Hull
   a. August 20, 2024

4. Finance Committee (Next meeting 10/3/24) – Chair Overson
   a. Recommendation for 2025 Tentative Budget

5. 2025 Budget Update – CFO Hill

6. Intent to Pursue a 2025 Property Tax Increase – DA Anderson
   a. The approximate amount of the increase is 23% or $11,473,218
   b. The purpose of the Increase is to continue to appropriately fund the fire service including 4-handed crews, upgrade aging fire stations, maintain the Board approved minimum fund balance, and additional engine companies at Kearns, Station 107, and Eagle Mountain, Station 253

7. Consider the Date of December 10, 2024, at 6:00 p.m. for a Public Hearing to Receive and Consider Comments on a 2025 Property Tax Increase – CFO Hill

8. Consider the Date of December 10, 2024, at 6:00 p.m. for a Public Hearing to Receive and Consider Comments on:
   a. Proposed Amendments to the 2024 Budget
   b. The Final Budget for 2025 – CFO Hill

9. District Administrator Report – Rachel Anderson

10. Possible Closed Session
    The Unified Fire Service Area or Local Building Authority of the UFSA may temporarily recess the meeting to convene in a closed session to discuss the character, professional competence, or physical or mental health of an individual, pending or reasonable imminent litigation, and the purchase, exchange, or lease of real property, as provided by Utah Code Annotated §52-4-205 or for attorney-client matters that are privileged pursuant to Utah Code § 78B-1-137, and for other lawful purposes that satisfy the pertinent requirements of the Utah Open and Public Meetings Act.
    a. the character, professional competence, or physical or mental health of an individual
    b. pending or reasonable imminent litigation
    c. the purchase, exchange, or lease of real property as provided by Utah Code Annotated §52-4-205.

    (If only discussing topic (A), character, etc., then you may move to not record that portion of the closed session per Utah Code § 52-4-206 (6).)

    Re-Open the Meeting

11. Adjournment – Chair Hull

The next Board meeting will be held October 15, 2024, at 8:30 a.m. both electronically and at UFA Headquarters located at 3380 South 900 West, Salt Lake City, UT 84119

THE PUBLIC IS INVITED TO PARTICIPATE IN ALL UFSA MEETINGS.

In accordance with the Americans with Disabilities Act, UFSA will make reasonable accommodation for participation in the meetings. Please call the clerk at least three working days prior to the meeting at 801-743-7213. Motions relating to any of the foregoing, including final action, may be taken at the meeting. This meeting will also be held electronically to allow members of the UFSA/LBA Boards to participate. This agenda is subject to change with a minimum 24-hour notice.

CERTIFICATE OF POSTING

The undersigned, does hereby certify that the above agenda notice was posted on this 16th day of September 2024, on the UFSA bulletin boards, the UFSA website http://unifiedfireservicearea.com , posted on the Utah State Public Notice website http://www.utah.gov/pmn/index.html and was emailed to at least one newspaper of general circulation within the jurisdiction of the public body.

Cynthia Young, UFSA Board Clerk

JOINT UNIFIED FIRE SERVICE AREA AND LOCAL BUILDING AUTHORITY OF THE UFSA
Meeting Minutes

Meeting held at UFA Headquarters and electronically via ZOOM

Board Members Present

Council Member Tyler Huish
Council Member Trish Hull
Mayor Dan Knopp
Surveyor Reid Demman
Council Member Kathleen Bailey
Council Member Catherine Harris
Council Member Chrystal Butterfield
Mayor Kristie Overson
Mayor Marcus Stevenson
Mayor Tom Westmoreland

Board Members Absent

Council Member Sheldon Stewart
Mayor Jeff Silvestrini
Mayor Roger Bourke

Staff

Chief Dominic Burchett
Tony Hill, UFA CFO
Rachel Anderson, UFSA Legal Counsel/District Administrator
Cyndee Young, UFSA Clerk

Guests

AC Dern
AC Pilgrim
AC Robinson
OC Russell
Ben Porter
Bill Brass
Bryan Case
Calogero Ricotta
Chad Green
Chris Cawley, Alta
Courtney Samuel
Debbie Cigarroa
Embret Fossum
Eric Holmes
Erica Langenfass
Jay Torgersen
Jill Tho
Kenneth Aldridge
Kiley Day
Lana Burningham
Lee Ascarte
Mike Greensides
Nile Easton
Paul Story
Rob Ayres
Shelli Fowlks
Steve Prokopis
Steve Quinn
Tara Behunin
Tony Barker
Val Greensides

Chair Trish Hull Presided

Called to Order

Chair Hull called the meeting to order at 8:30 a.m. Quorum present.

Public Comment

None.
Public comment was available live and with a posted email address.

<u>Approval of Joint UFSA and LBA Minutes</u> – Chair Hull

Mayor Knopp moved to approve the minutes from the July 16, 2024, Joint UFSA LBA Board Meeting as submitted.
Mayor Overson seconded the motion.
All voted in favor, none opposed.

<u>Finance Committee</u> – Chair Hull

A meeting is scheduled for August 26, 2024. Mayor Overson encourages all Board Members to attend as the 2025 UFSA Budget will be discussed.

<u>Amendment to Sandy City Interlocal Agreement</u> – DA Anderson

There is a small boundary change that needs to be included in the agreement. This agreement covers when Sandy City Fire provides service and how UFSA shares a portion of the property tax to cover this service. DA Anderson has been working with Sandy staff on this amendment. The Sandy City Council has yet to give their final approval, but DA Anderson is asking that barring any substantial changes, the UFSA Board approve the amendment to include the area as submitted.

Mayor Overson moved to amend the Sandy City Interlocal Agreement as discussed.
Mayor Knopp seconded the motion.
Roll call vote taken.

Bailey	Y	Knopp	Y
Bourke	-	Overson	Y
Butterfield	Y	Silvestrini	-
Demman	Y	Stevenson	Y
Harris	Y	Stewart	-
Huish	Y	Westmoreland	Y
Hull	Y		

<u>Consider Resolution 08-2024A Adopting the UFSA Tax Increment Finance Policy</u> – DA Anderson

This policy was provided for review at the July 16, 2024 UFSA Board meeting. DA Anderson explained that this policy is a guideline for how the Board will approach tax financing requests going forward. This will help guide due diligence on requests and help keep the Board Members educated on the overall process. Mayor Stevenson had provided some clarifying language that has been incorporated into the current policy.

Mayor Stevenson moved to adopt Resolution 08-2024A adopting the UFSA Tax Increment Finance Policy.
Mayor Overson seconded the motion.
Roll call vote taken.

Bailey	Y	Knopp	Y
Bourke	-	Overson	Y
Butterfield	Y	Silvestrini	-
Demman	Y	Stevenson	Y
Harris	Y	Stewart	-
Huish	Y	Westmoreland	Y
Hull	Y		

District Administrator Report – Rachel Anderson

DA Anderson noted that the UASD Annual Convention has been announced and will take place November 6-8, 2024. Any Board Members interested, please contact Cyndee Young for more information. As a reminder, UFSA will pay for Board Members to attend as this is a highly informative event.

Closed Session

None

Motion to Adjourn – Chair Hull

Mayor Overson moved to adjourn the August 21, 2024, Joint UFSA/LBA Board Meeting.
Mayor Knopp seconded the motion.
All voted in favor, none opposed.

TO: UFSA Board of Trustees
FROM: Tony Hill, CFO
SUBJECT: 2025 Budget
DATE: September 17, 2024

As part of the 2025 budget process, the structural balance of the General Fund will need to continue to be addressed. The 2024 budget includes a $2,608,878 appropriation of fund balance, down from $6,013,825 in 2023. This improvement was realized in part because of the tax increase in 2024. As a reminder, the Board approved the 12% increase in 2024 knowing it wasn't enough to meet the required 15% minimum fund balance reserve and phase 2 of the tax increase would need to take place in 2025.

So where are we now? The projected ending fund balance for 2024 is $9,046,179, which is 14.8% of total revenue. This estimate includes the under expend from the garage project at the temporary station (house) in Millcreek that will not be completed in 2024. Without this savings the ending fund balance percentage would be 14.3%. Currently, to get to the 15% minimum fund balance in 2025 an estimated 9.9% property tax increase is needed (assuming 2% in new growth). This can be adjusted with decisions made by the Board throughout the 2025 budget process. A 9.9% tax increase would equate to around $4,938,500 in additional property tax revenue.

Below are the issues that will need to address during the 2025 budget process.

2024 Expenditures

Before property taxes are increased, government entities have the fiduciary responsibility to take a hard look at expenditures and see if any efficiencies can be found. Below, UFSA's 2024 budget is divided into five categories for review:

- UFA Member Fee (78.06%)
  - UFA member fee $49,867,671 (78.06%)
    - This cost is affected by market factors as well as by decisions made at the UFA Board level. The current UFA budget is in place until June 2025, and decisions made for the FY 25/26 process on compensation (COLA, top 3 market) and other UFA expenditures will impact UFSA's structural balance. Additionally, UFA and UFSA have been pursuing the goal of eventually staffing all stations with 4 firefighters, which also affects the individual member fee.

- Fixed or Contract Costs (17.49%)
  - Debt Service $4,973,375 (7.79%)
  - Tax Payments to RDA/CDA $5,000,000 (7.83%)
  - Sandy Contract $1,078,438 (1.69%)
  - Herriman/Riverton $101,773 (0.16%)
  - Outside Auditor $15,000 (0.02%)

- Tax Revenue Anticipation Note (TRAN) Issuance Costs (1.54%)
  - TRAN issuance costs $984,092 (1.54%)
    - This amount will fluctuate each year.

- Capital Maintenance (1.89%)
  - 2024 Projects $983,010 (1.54%)
  - Seismic Grant Projects $224,748 (0.35%)
    - The seismic project concluded 2024.

- Administrative (1.02%)
  - Admin costs $652,114 (1.02%)
    - UFA admin fee for finance/facilities/clerk, administrator, legal, UASD membership

The board can certainly try to reduce capital maintenance and administrative costs but any real impact on the budget will need to come from the member fee paid to UFA.

Fund Balance Impact

The 2024 budget has a $2.6M draw of fund balance. Using a 5.5% UFA member fee increase as well as a 9.9% tax increase in 2025 and a 0.5% tax increase in 2026, the chart below shows the projected ending fund balance through 2026. A 10.2% increase in 2025 would balance the fund through 2026.

UNIFIED FIRE SERVICE AREA	ENDING FUND BALANCE	FUND BALANCE %
2022 ACTUAL	$14,749,419	27.7%
2023 ACTUAL	$10,815,505	19.6%
2024 BUDGET	$9,046,179	14.8%
2025 PROJECTION	$10,156,924	15.0%
2026 PROJECTION	$10,451,468	15.0%

Budget Needs – 2025 and Beyond

The funding analysis above does not include any expanded budget needs. A plan on if and when these stations are staffed or built needs to be part of the discussion so the property taxes can be sized appropriately. The cost to staff a station with four firefighters is currently $3,107,459 or about an additional 6.3% to the tax increase. For a station with three firefighters, the current cost is $2,617,723 or about an additional 5.3% to the tax increase. To add the fourth firefighter the current additional cost is $489,736 or about 1.0% to the tax increase.

- Station 112 temporary station (house): UFSA continues to hold onto the house in Millcreek that will be used as a temporary station if station 112 is rebuilt on the same site. With delays in the rebuild, does the board want to do anything different with the house?
- Staffing
    - 253 (Eagle Mountain) Staffing: Currently staffed with an ambulance crew
    - 107 (Kearns) Staffing: Ambulance crew to begin in January 2025
    - 4 firefighter crews at stations 115 (Copperton) and 119 (Emigration Canyon)
- Station 112 rebuild ($4.2 million remaining on the 2021 bond)
- 2 New stations in Eagle Mountain

2025 Budget Discussion/Finance Committee Recommendation

The Finance Committee at their meeting on August 26th reviewed and discussed the options above. Their recommendations are below:

- Hold on to the house in Millcreek while continuing to explore options for the rebuild of station 112.

- Continue staffing stations 115 and 119 with 3 firefighters

- Staff station's 253 and 107 with a 4-firefighter crew in 2025

The recommendation to staff the 2 additional stations leads to a needed tax increase of 23.0% in 2025. This increase would yield an additional $11,473,218 in property tax revenue, provide the funding to structural balance the general fund through 2026 (10.2%), and staff station 107 and 253 with a 4-firefighter engine company in 2025 (12.8%). To allow the hiring of the additional staff, a target of July 2025 and December 2025 was set for the in-service dates of the 2 stations. Because of the staggered begin dates, discussion was had by the Finance Committee if the full 12.8% is needed in 2025. The chart below shows the timing and amount of anticipated new costs for 2025.

2025 UFSA Member Fee				
	Baseline Amount	Additional Stations		
January	4,265,172	0		
February	4,265,172	99,660		Hire and begin training of 15 FTE's for 1st additional station
March	4,265,172	99,660		
April	4,265,172	99,660		
May	4,265,172	99,660		
June	4,265,172	258,955		Staff 1st additional station
July	4,499,756	273,198		5.5% increase for UFA's FY25/26 budget
August	4,499,756	273,198		
September	4,499,756	273,198		
October	4,499,756	377,052		Hire and begin training of 15 FTE's for 2nd additional station
November	4,499,756	377,052		
December	4,499,756	377,052		
Total	52,589,571	2,608,344	55,197,914	

The additional 12.8% increase will yield $6,385,095 in property tax revenue. If the Board wanted to align the tax increase with the new costs it could reduce the tax increase to 16% in 2025 knowing the additional 7% would be needed in 2026.

The Finance Committee ultimately decided to move forward with the full 23% increase in 2025 knowing this amount of revenue would ultimately be needed and wanting to avoid another tax increase in 2026.

Staff has used the 23% increase amount in notifications to the State Tax Commission and to Salt Lake/Utah Counties. This amount will also be used in all public notices.

The Board could choose to levy an amount lower than 23% when adopting the final tax increase amount in December.